

# 2006 Home Mortgage Disclosure Act (HMDA) Data for Maryland

State Data Center Affiliate  
Meeting

June 17, 2008

# What is HMDA Data

- Created by Congress in 1975 to supply information on home mortgage loans. This data serves three purposes:
  - Determine whether financial institutions are serving housing credit needs of the community
  - Help public officials target community development investment
  - Help regulators enforce fair lending laws by identifying possible discriminatory lending practices

# HMDA Data Reporting Requirements

- Financial institutions, including banks, savings institutions, credit unions, etc
  - Minimum asset threshold for depository institutions was \$35 million in 2006
  - Non-depository institutions – assets of \$10 million or originated 100 loans in previous year
- For CY 2006, included 34.1 million loan records reported by 8,886 institutions

# HMDA data includes:

- Income, race, ethnicity & gender of borrower
- Loan purpose and amount
- Decision taken by lender (approve/denial) and reason for denial
- Limited info on housing type (1-4 units, multifamily)
- Census tract location of loan

# HMDA data also includes:

- Loan pricing information which can identify high cost or subprime loans. This is a technical measure based on:
  - “Rate spread between APR on a loan and the yield on Treasury securities with comparable maturity”

# HMDA data High Cost Loans:

- A loan is considered high cost or subprime if the rate spread is greater than
  - 3 percentage points for first lien loans, or
  - 5 percentage points for subordinate lien loans

# HMDA Loans Covered

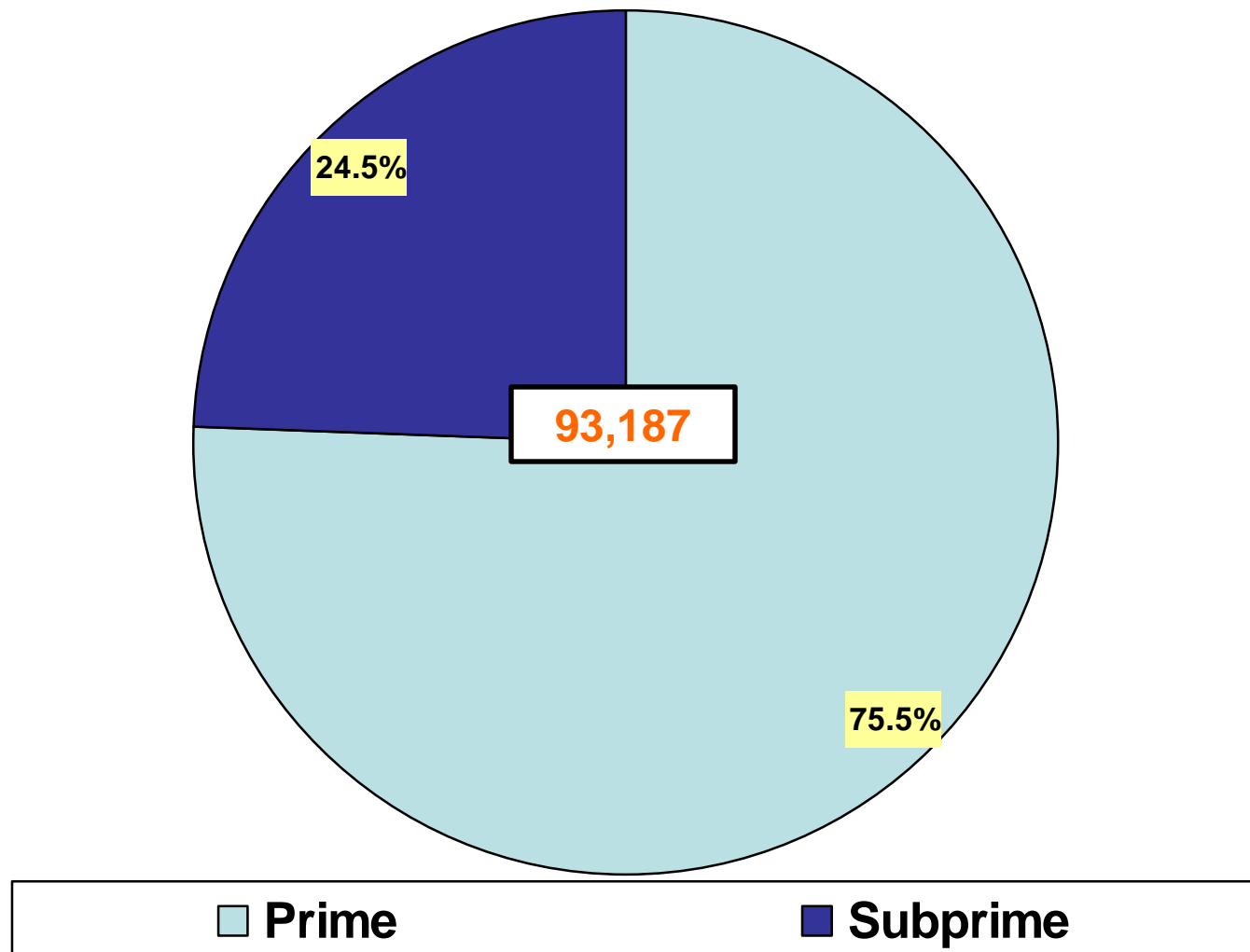
- Loans secured by first lien
- One to four-unit dwellings
- Home purchase (not refinance or home improvement)

# HMDA Owner-Occupied Loans

- **Statewide prime & subprime by race**
- Statewide prime & subprime by Hispanic/non Hispanic origin
- Statewide median income by race & Hispanic origin
- Statewide median home loan value by race & Hispanic origin

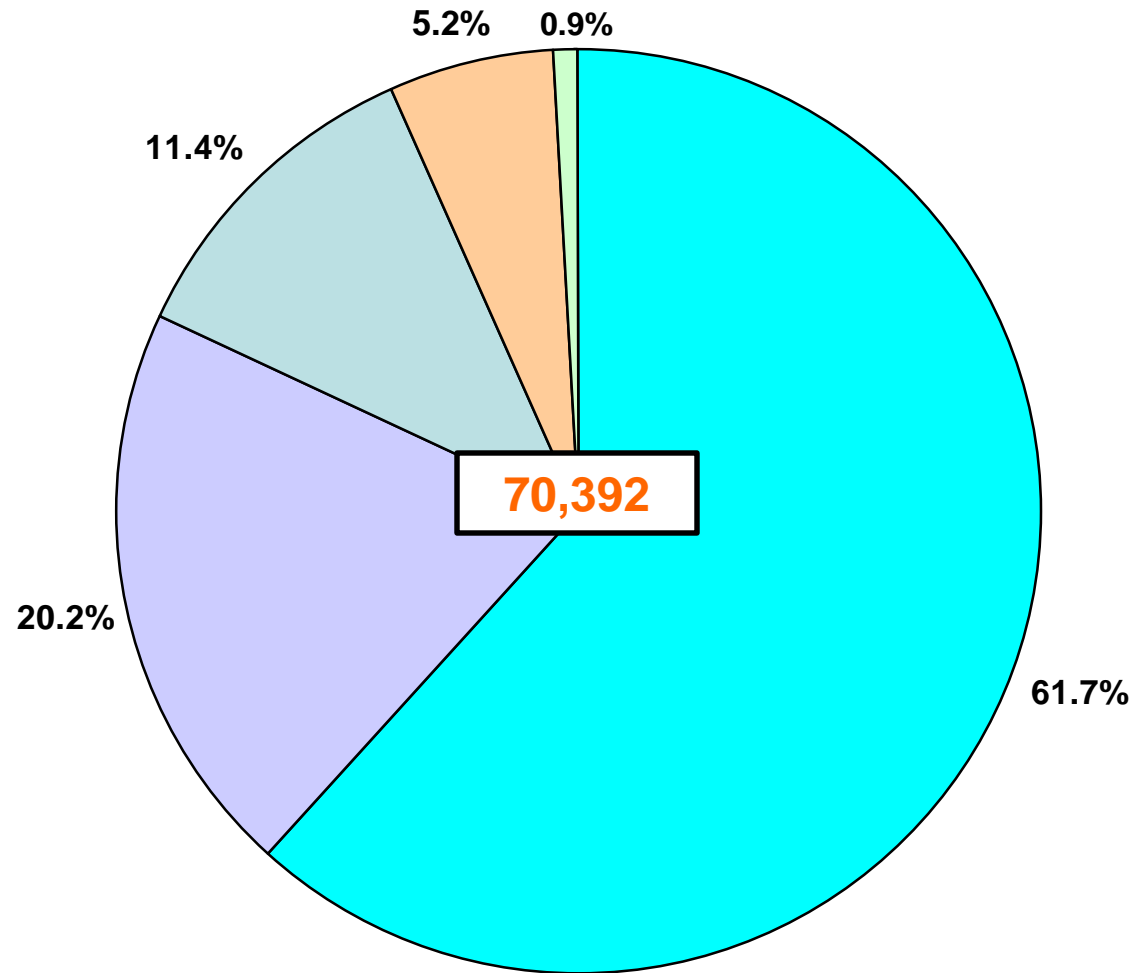


# Prime & Subprime Owner-Occupied Loans in Maryland- 2006



Source: Maryland Department of Planning from 2006 HMDA

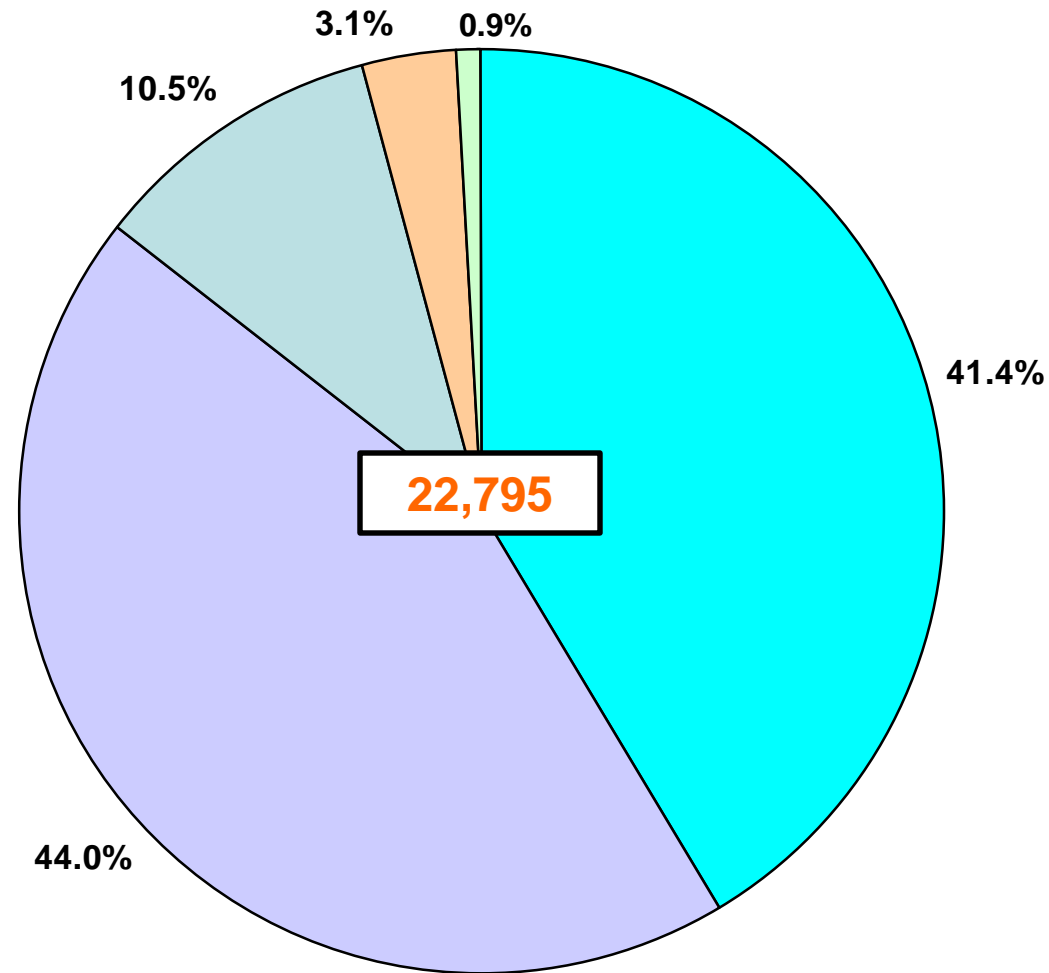
# Owner-Occupied Prime Loans by Race in Maryland- 2006



White African American Unknown Asian Other

Source: Maryland Department of Planning from 2006 HMDA

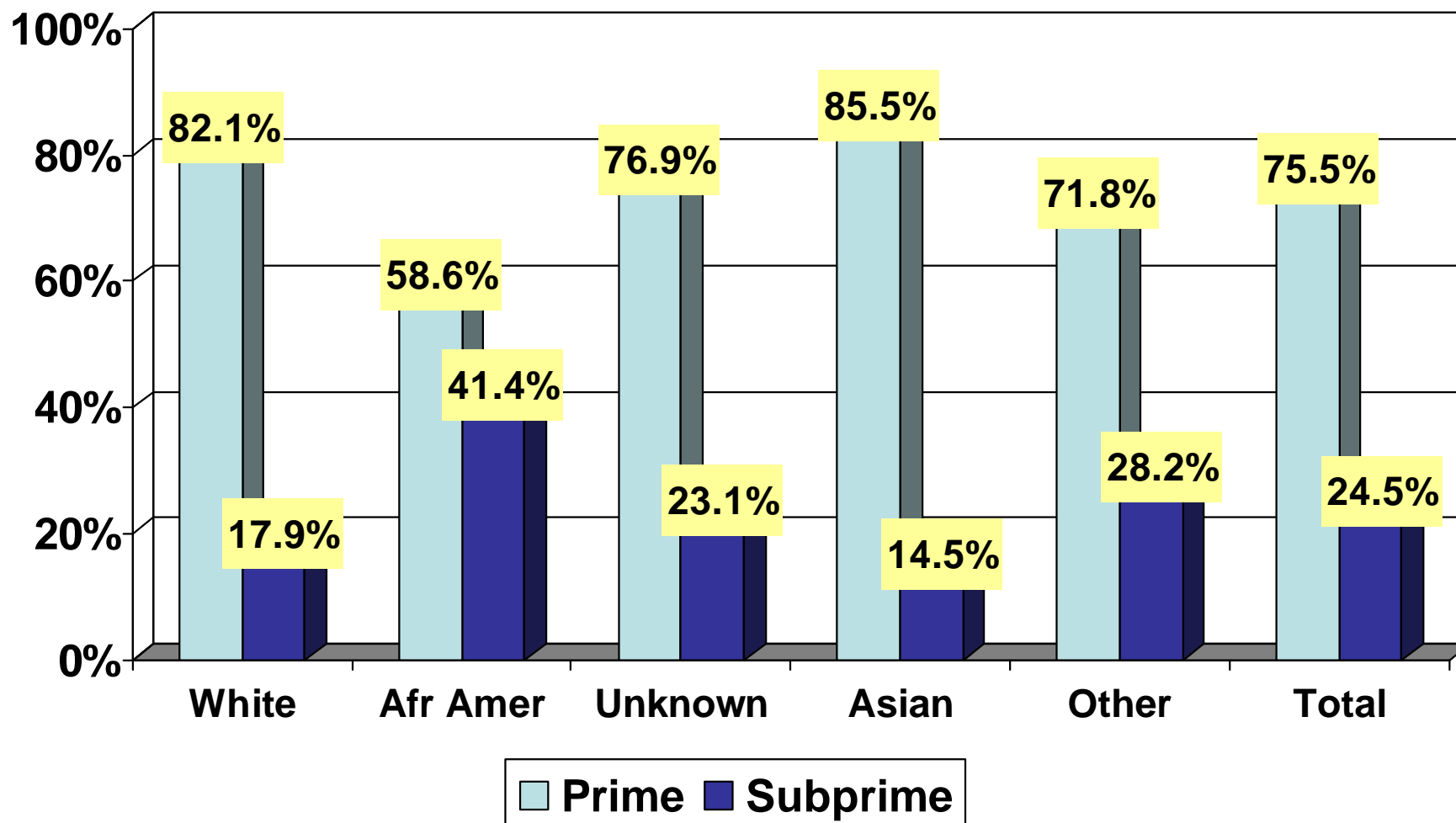
# Owner-Occupied **Subprime** Loans by Race in Maryland- 2006



■ White   ■ African American   ■ Unknown   ■ Asian   ■ Other

Source: Maryland Department of Planning from 2006 HMDA

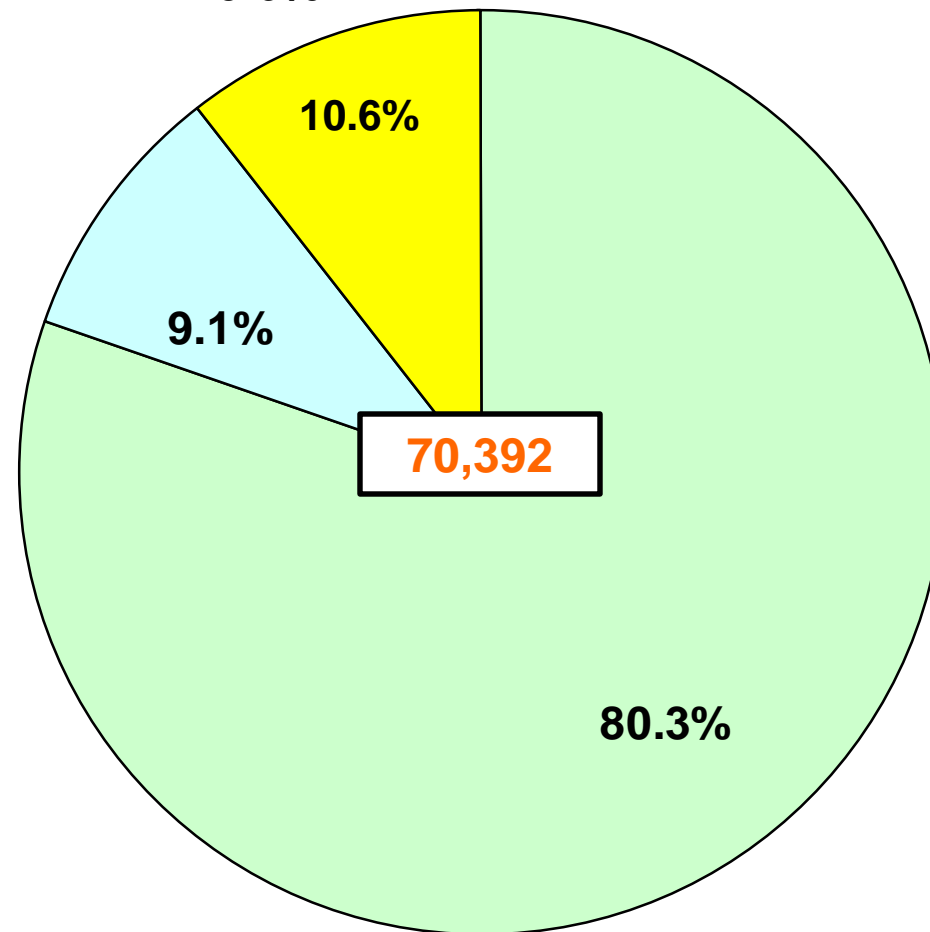
# 2006 Owner-Occupied Prime & Subprime Loans Within Each Race in Maryland



# HMDA Owner-Occupied Loans

- Statewide prime & Subprime by race
- **Statewide prime & Subprime by Hispanic/non Hispanic origin**
- Statewide median income by race & Hispanic origin
- Statewide median home loan value by race & Hispanic origin

## 2006 Owner-Occupied Prime Loans By Ethnicity in Maryland



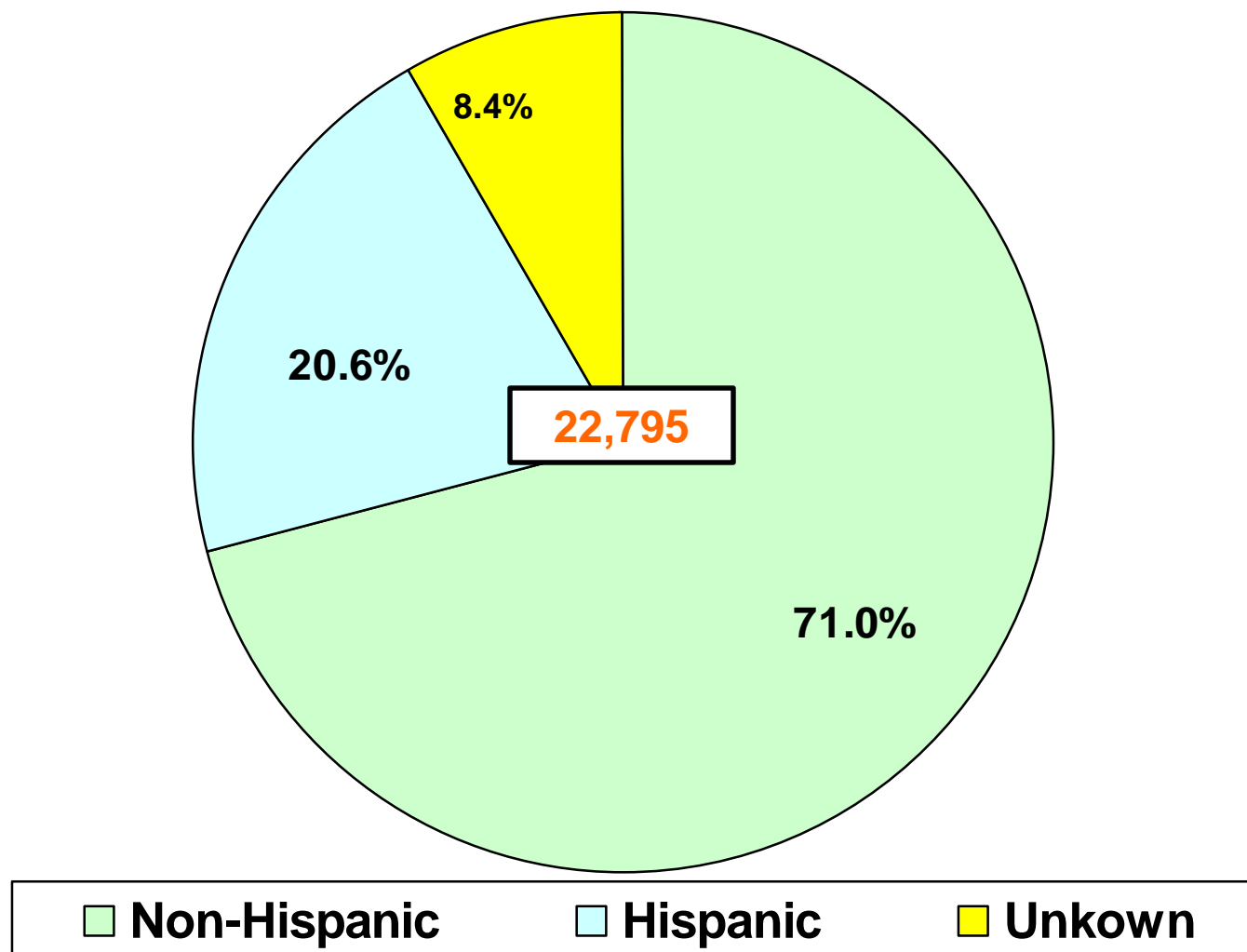
■ Non-Hispanic

■ Hispanic

■ Unknown

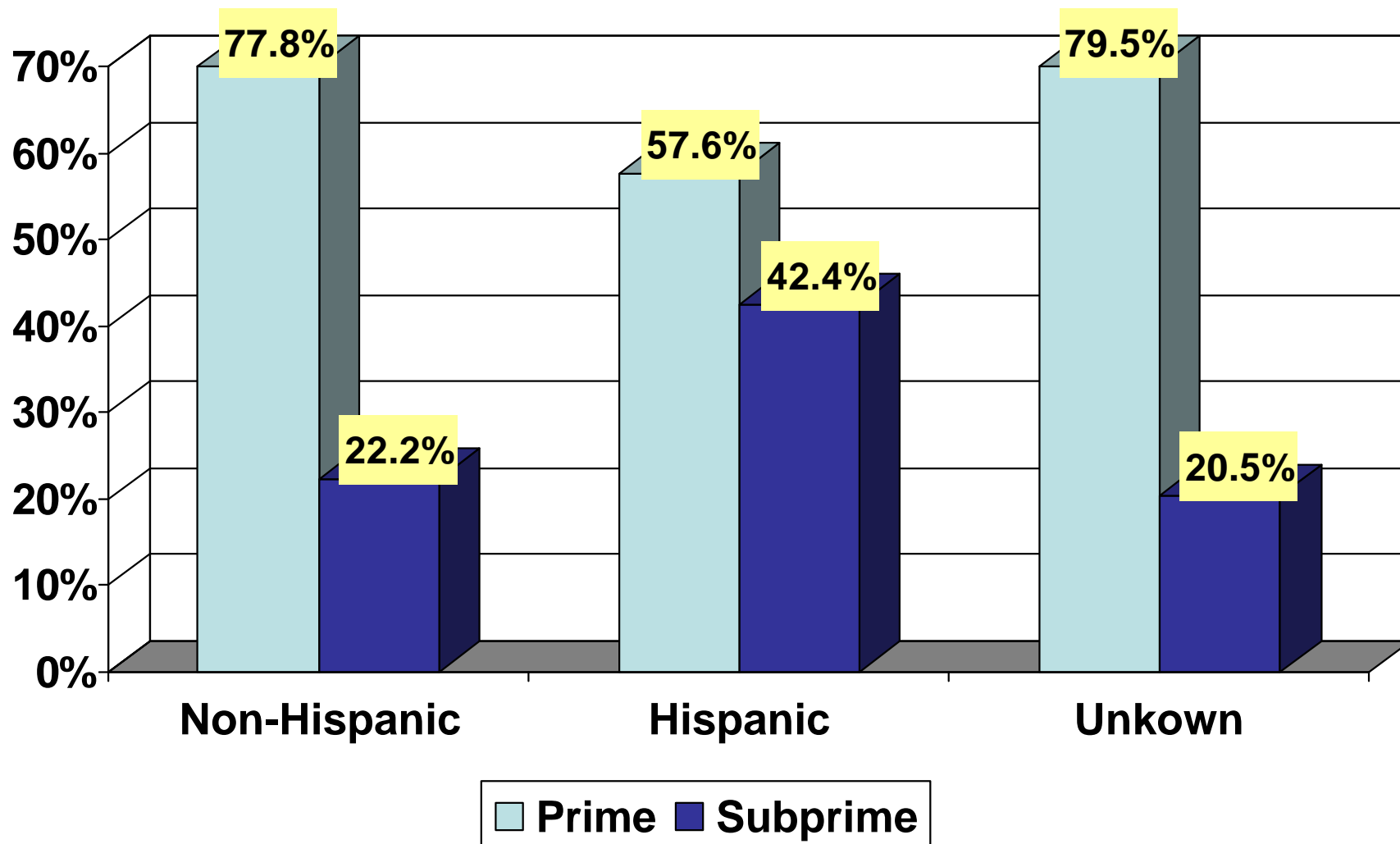
Source: Maryland Department of Planning from 2006 HMDA

## 2006 Owner-Occupied **Subprime** Loans By Ethnicity in Maryland



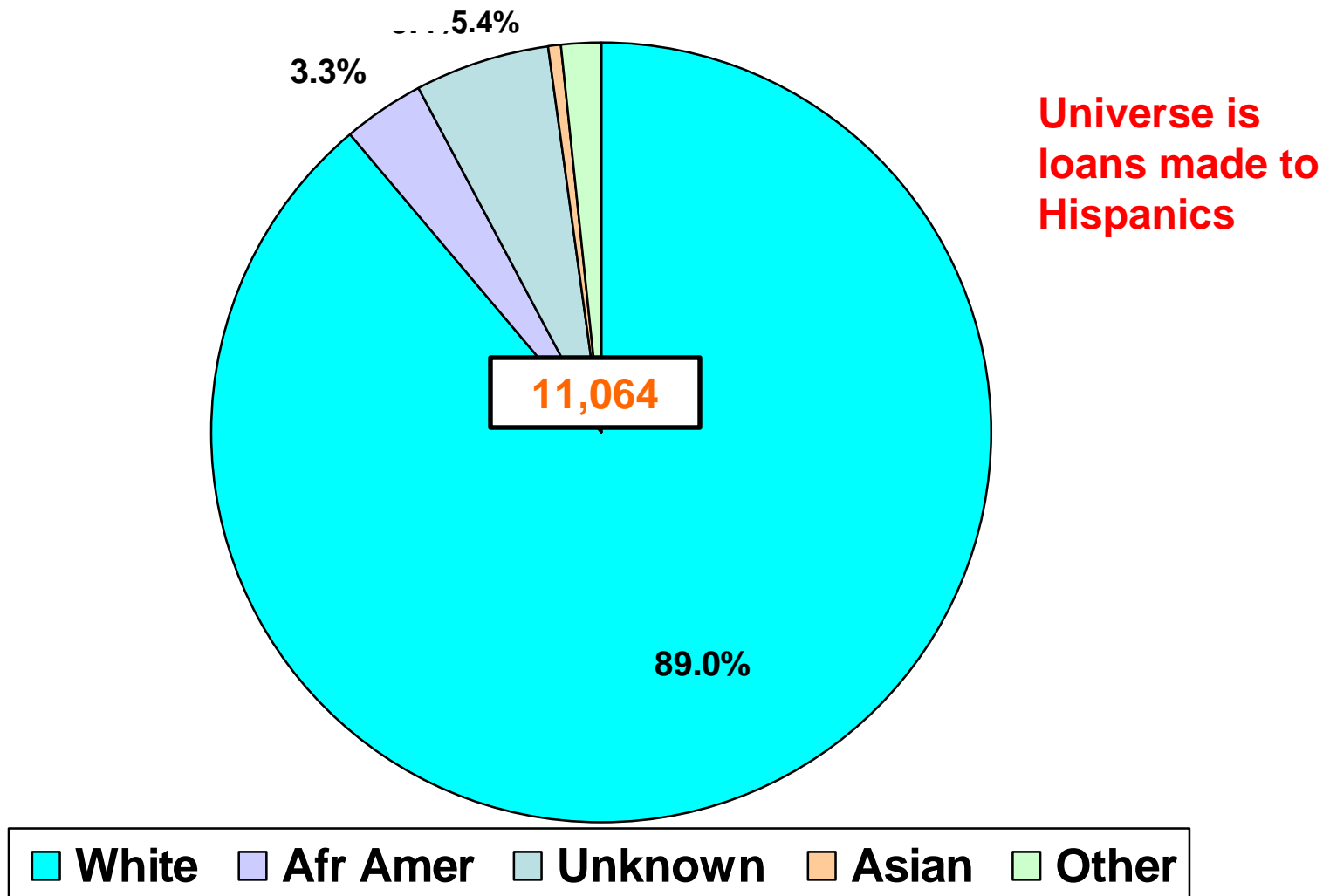
Source: Maryland Department of Planning from 2006 HMDA

# 2006 Owner-Occupied Prime & Subprime Loans Within Ethnicity in Maryland



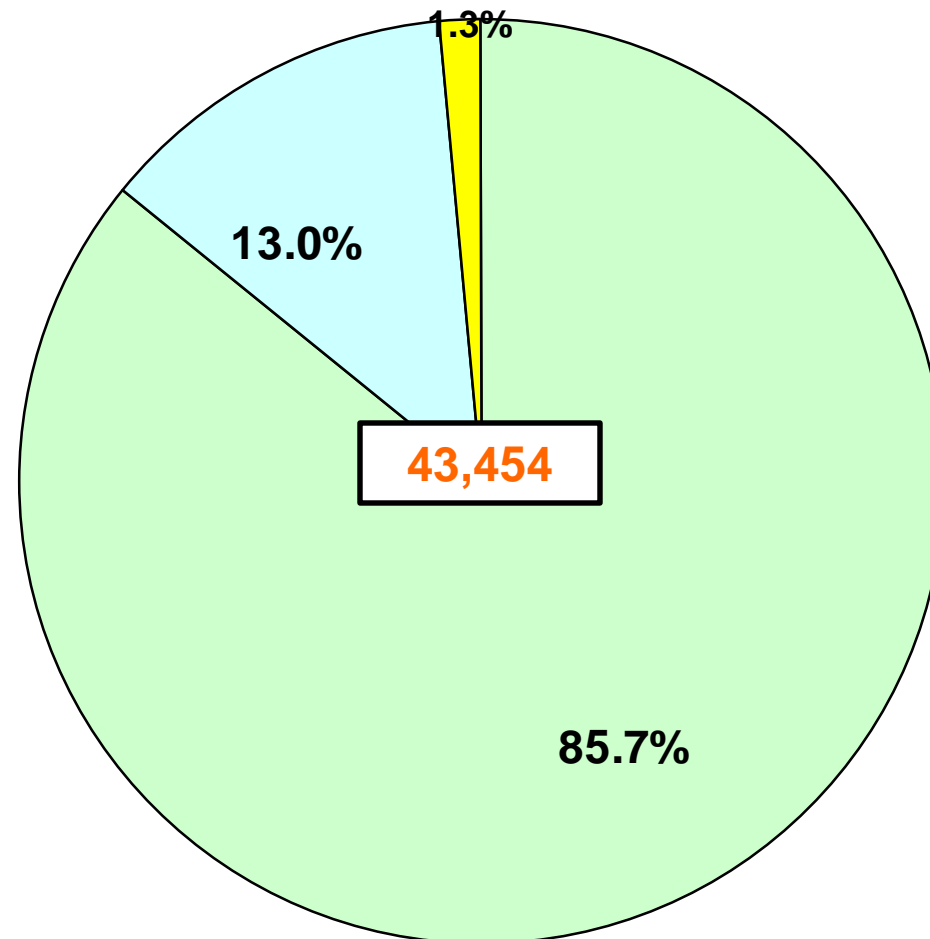


# 2006 Owner-Occupied Hispanic Loans by Race in Maryland



Source: Maryland Department of Planning from 2006 HMDA

# 2006 Owner-Occupied Prime Loans for Whites By Ethnicity in Maryland



Universe is loans  
made to Whites

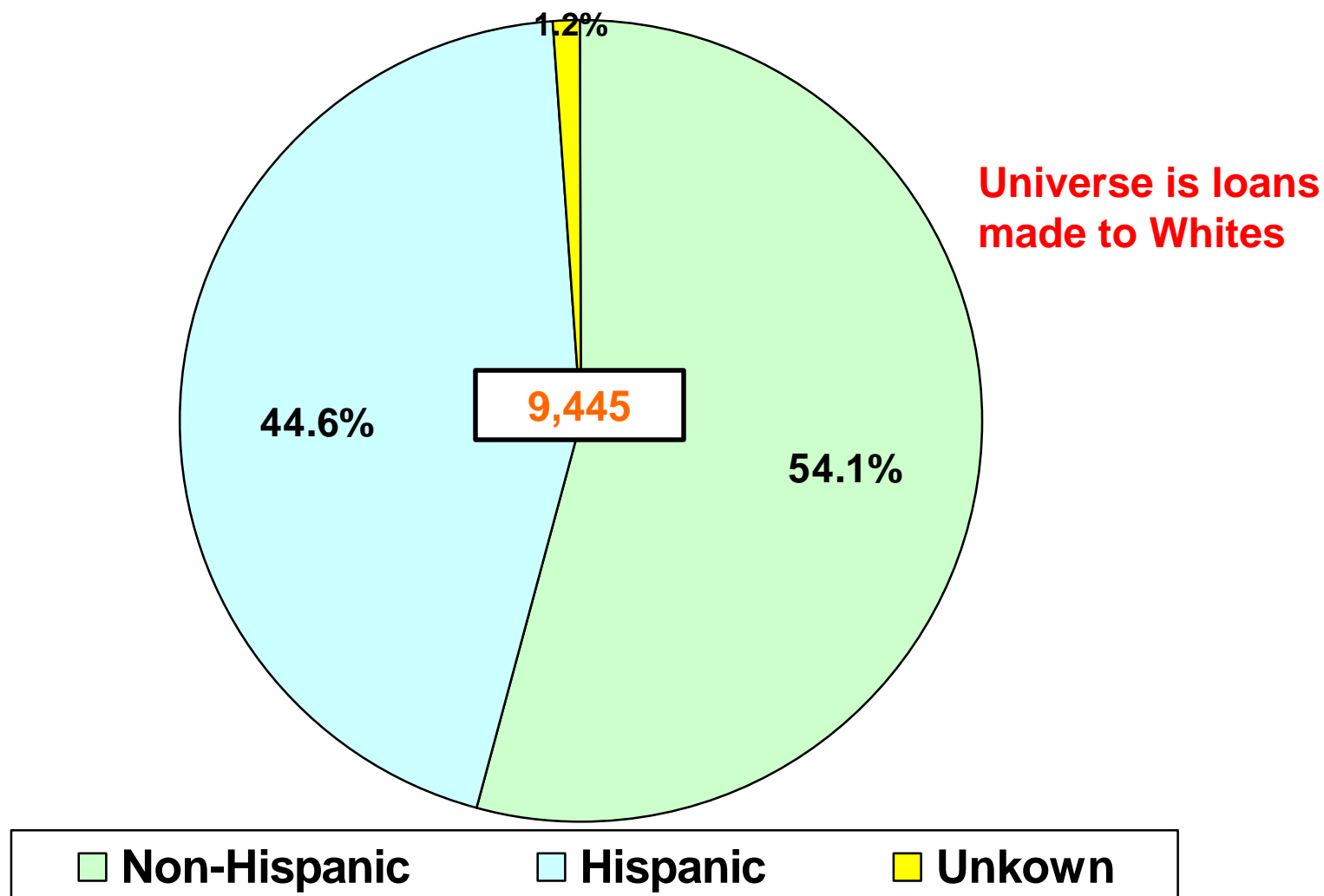
■ Non-Hispanic

■ Hispanic

■ Unknown

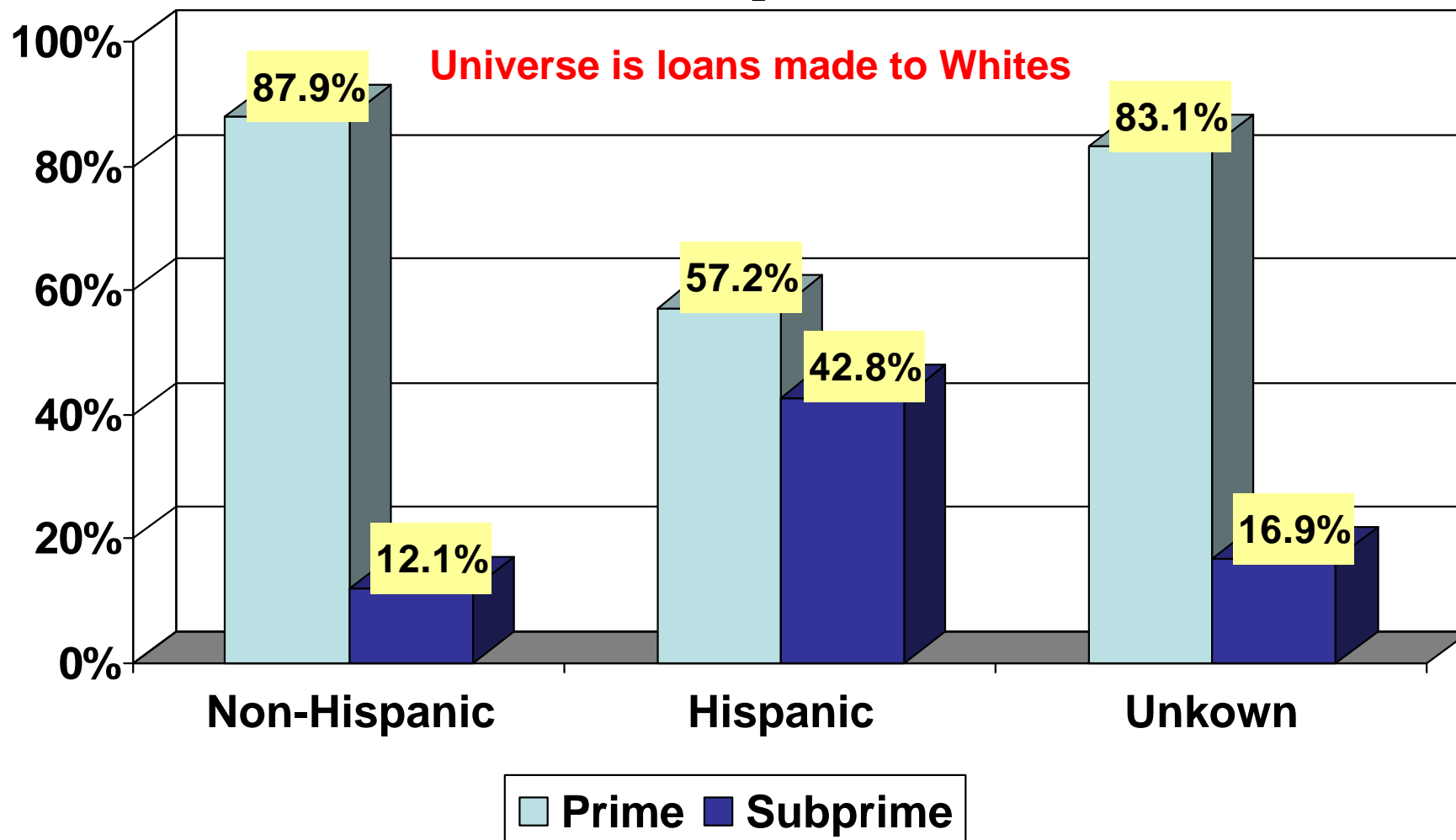
Source: Maryland Department of Planning from 2006 HMDA

## 2006 Owner-Occupied **Subprime** Loans for Whites By Ethnicity in Maryland



Source: Maryland Department of Planning from 2006 HMDA

# 2006 Owner-Occupied Prime & Subprime Loans for Whites Within Ethnicity in Maryland

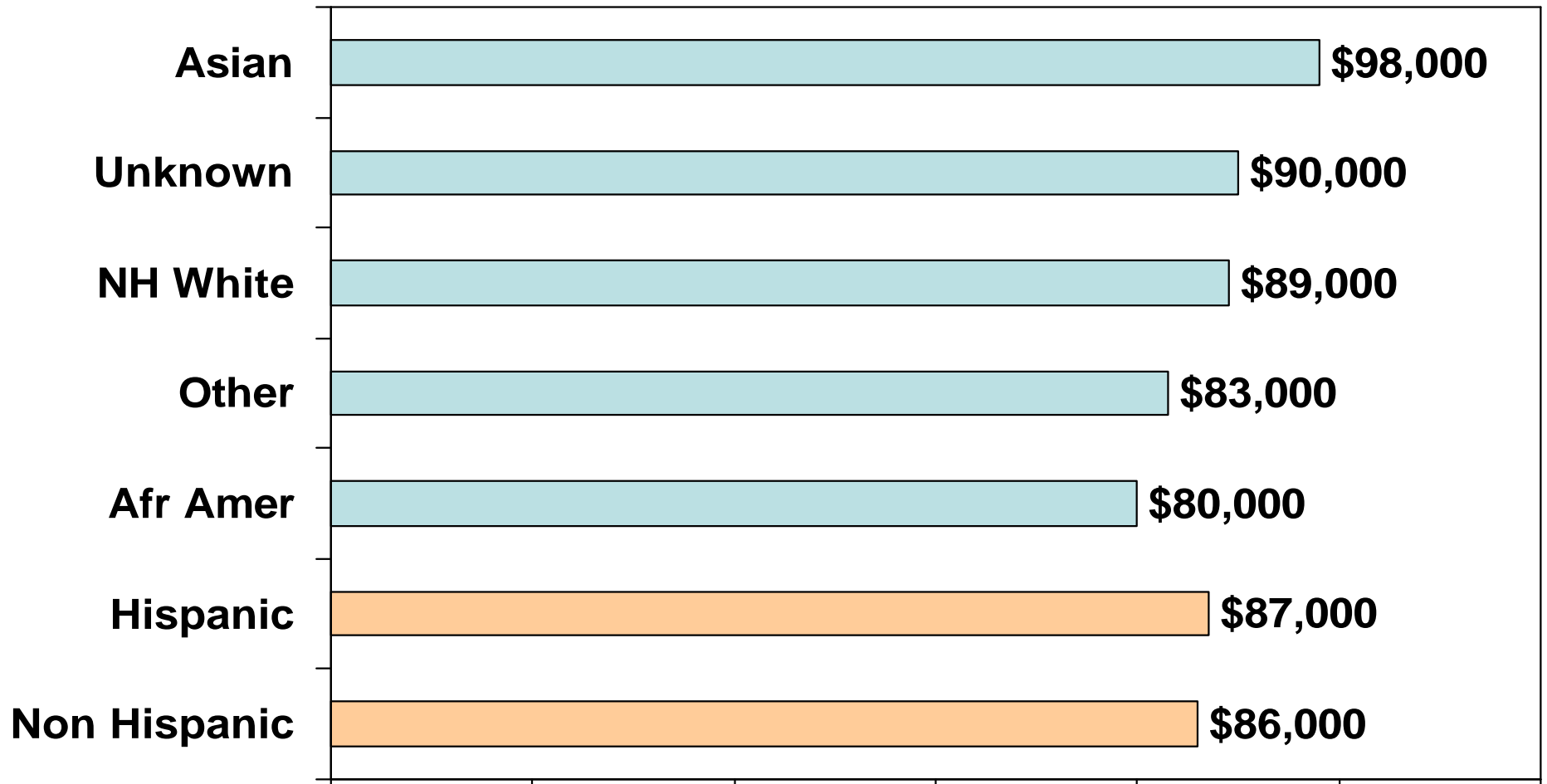


Source: Maryland Department of Planning from 2006 HMDA

# HMDA Owner-Occupied Loans

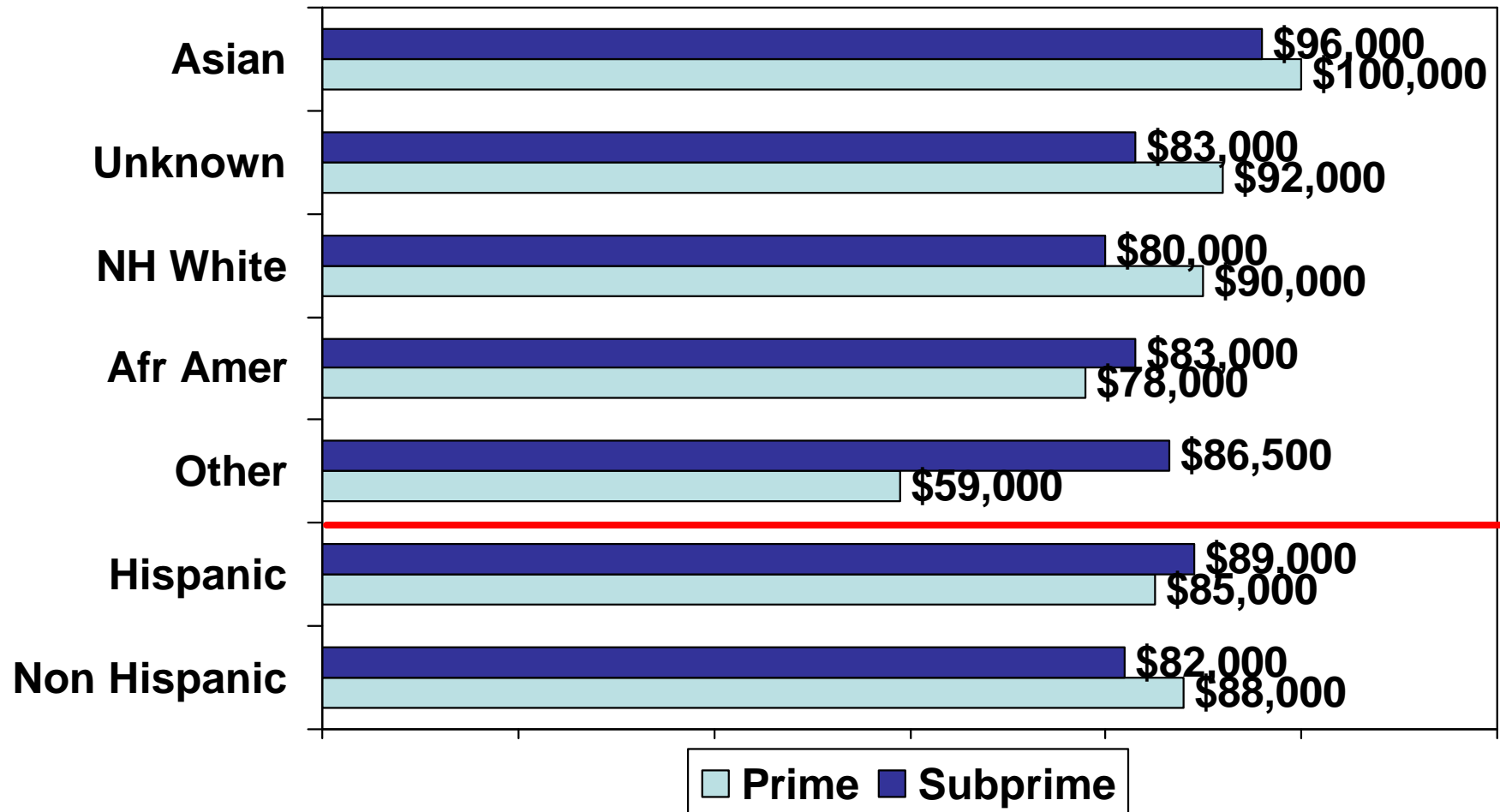
- Statewide prime & Subprime by race
- Statewide prime & Subprime by Hispanic/non Hispanic origin
- **Statewide median income by race & Hispanic origin**
- Statewide median home loan value by race & Hispanic origin

# 2006 Median Income by Race/Ethnicity in Maryland for Owner-Occupied Borrowers



Source: Maryland Department of Planning from 2006 HMDA

## 2006 Median Income by Race for Owner-Occupied Borrowers in Maryland



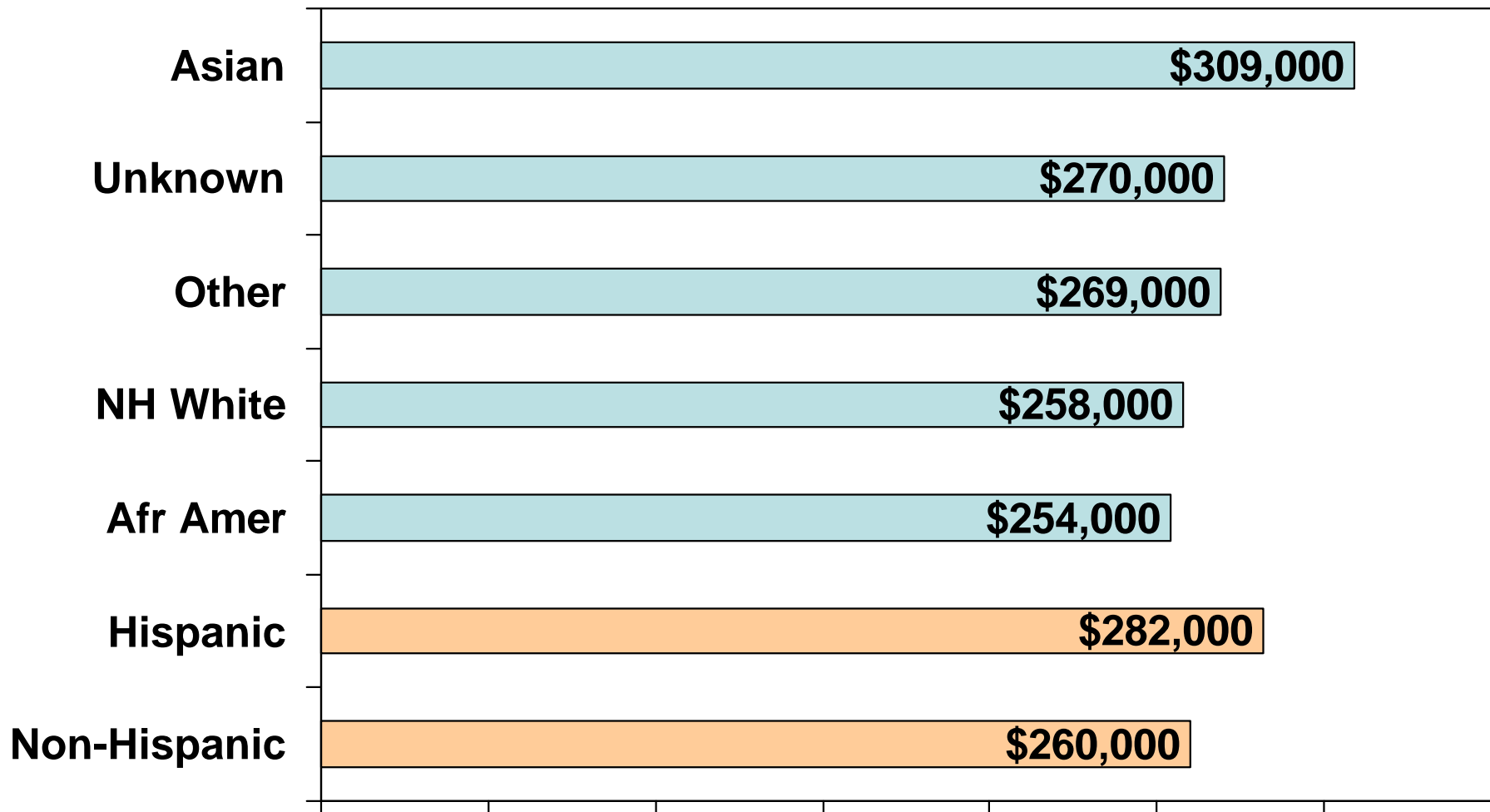
Source: Maryland Department of Planning from 2006 HMDA

# HMDA Owner-Occupied Loans

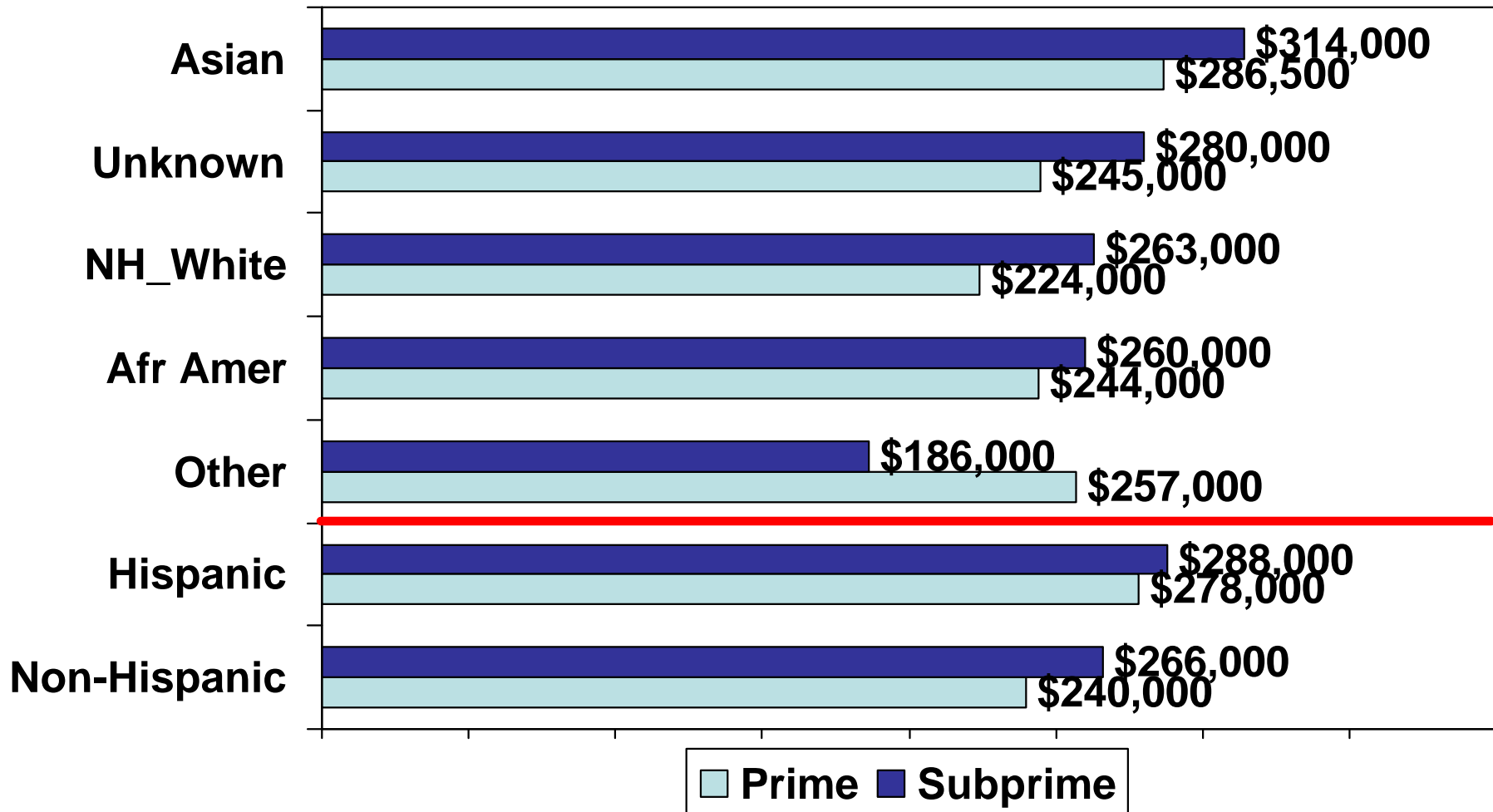
- Statewide prime & Subprime by race
- Statewide prime & Subprime by Hispanic/non Hispanic origin
- Statewide median Income by race & Hispanic origin
- **Statewide median home loan value by race & Hispanic origin**



# 2006 Median Owner-Occupied Loan Value by Race/Ethnicity in Maryland

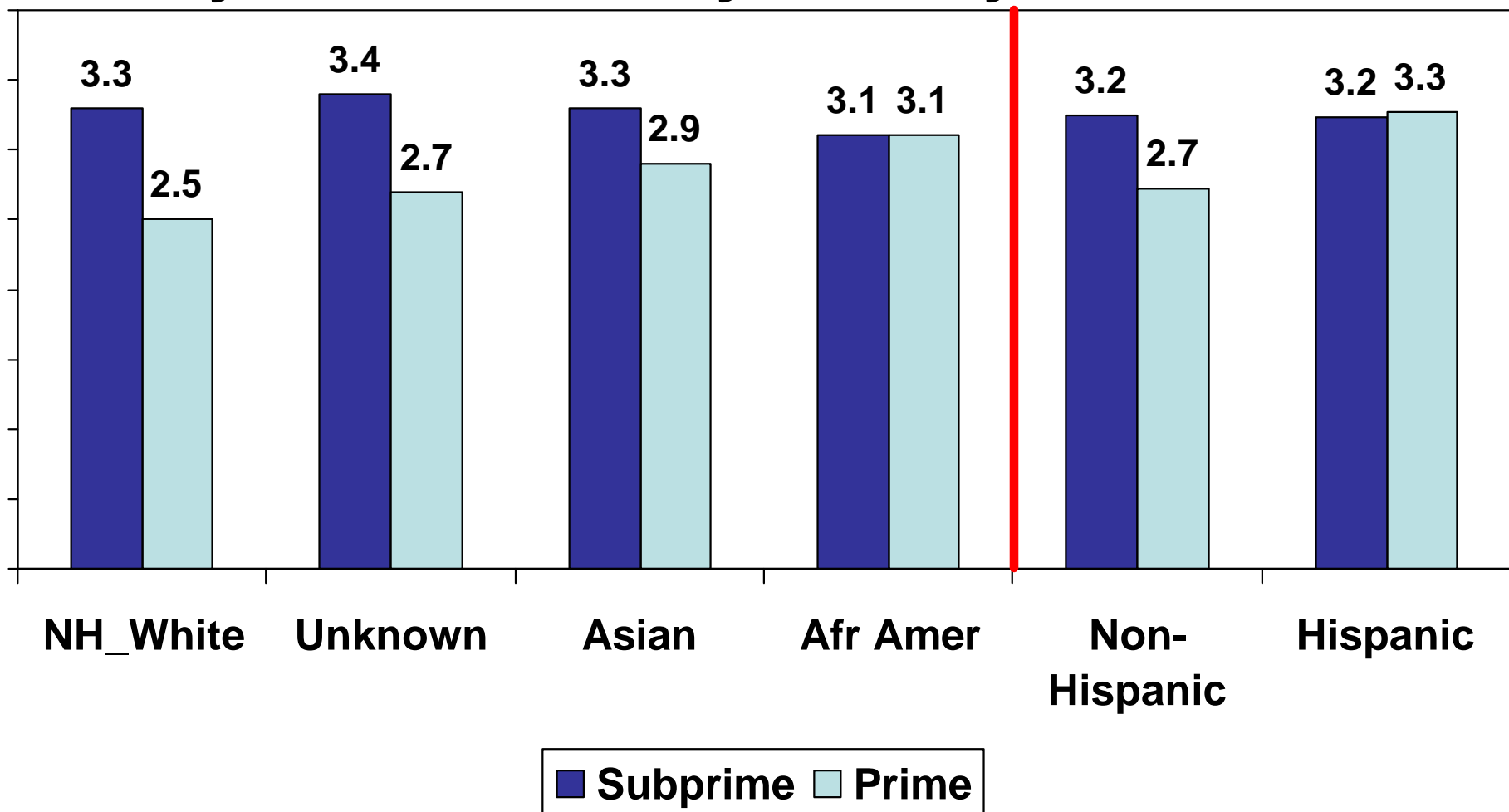


## 2006 Median Owner-Occupied Loan Amount by Race/Ethnicity & Loan Status in Maryland



Source: Maryland Department of Planning from 2006 HMDA

# Ratio of Median Loan to Median Income by Race/Ethnicity in Maryland, 2006 \*

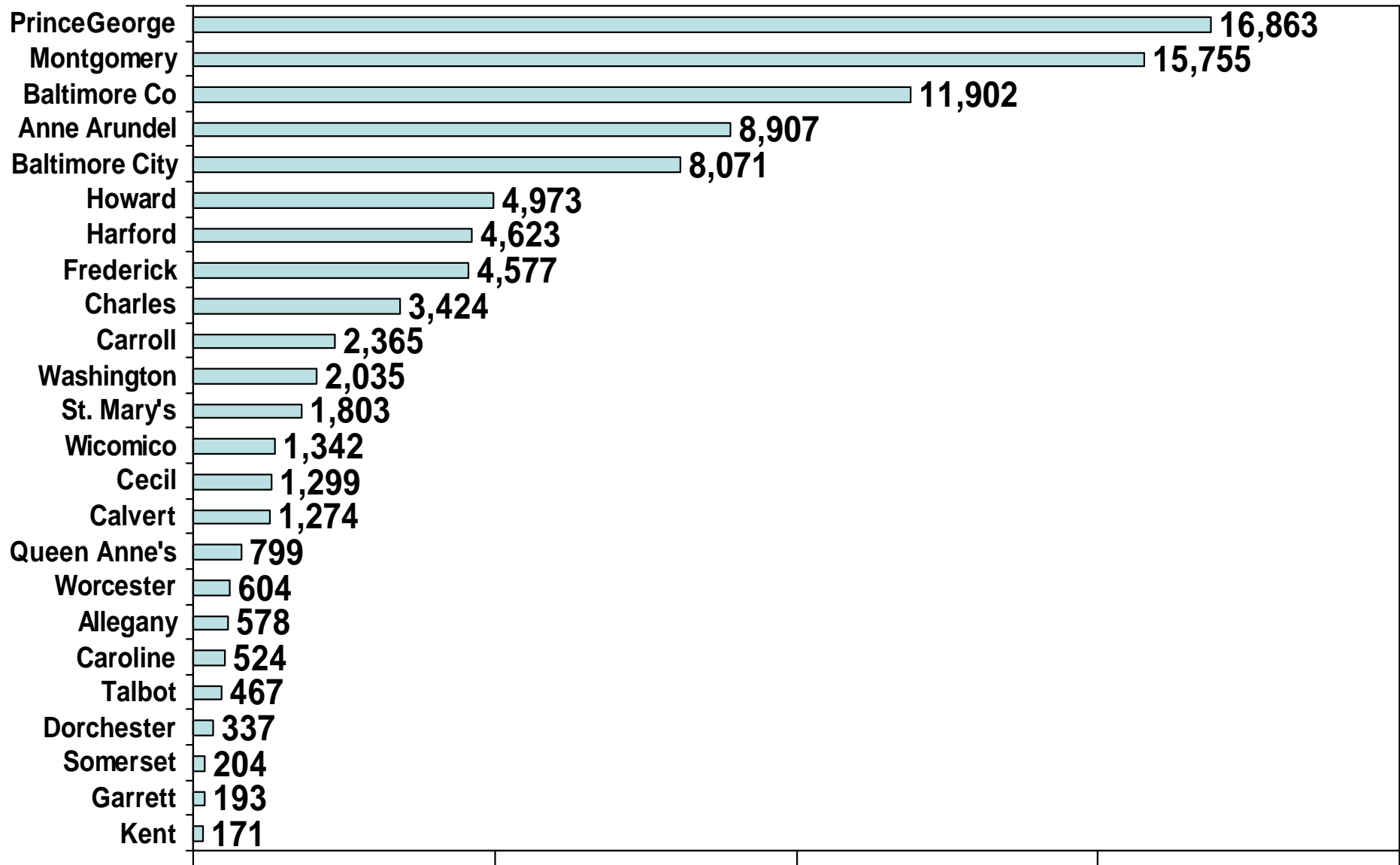


\* Owner occupied

Source: Maryland Department of Planning from 2006 HMDA

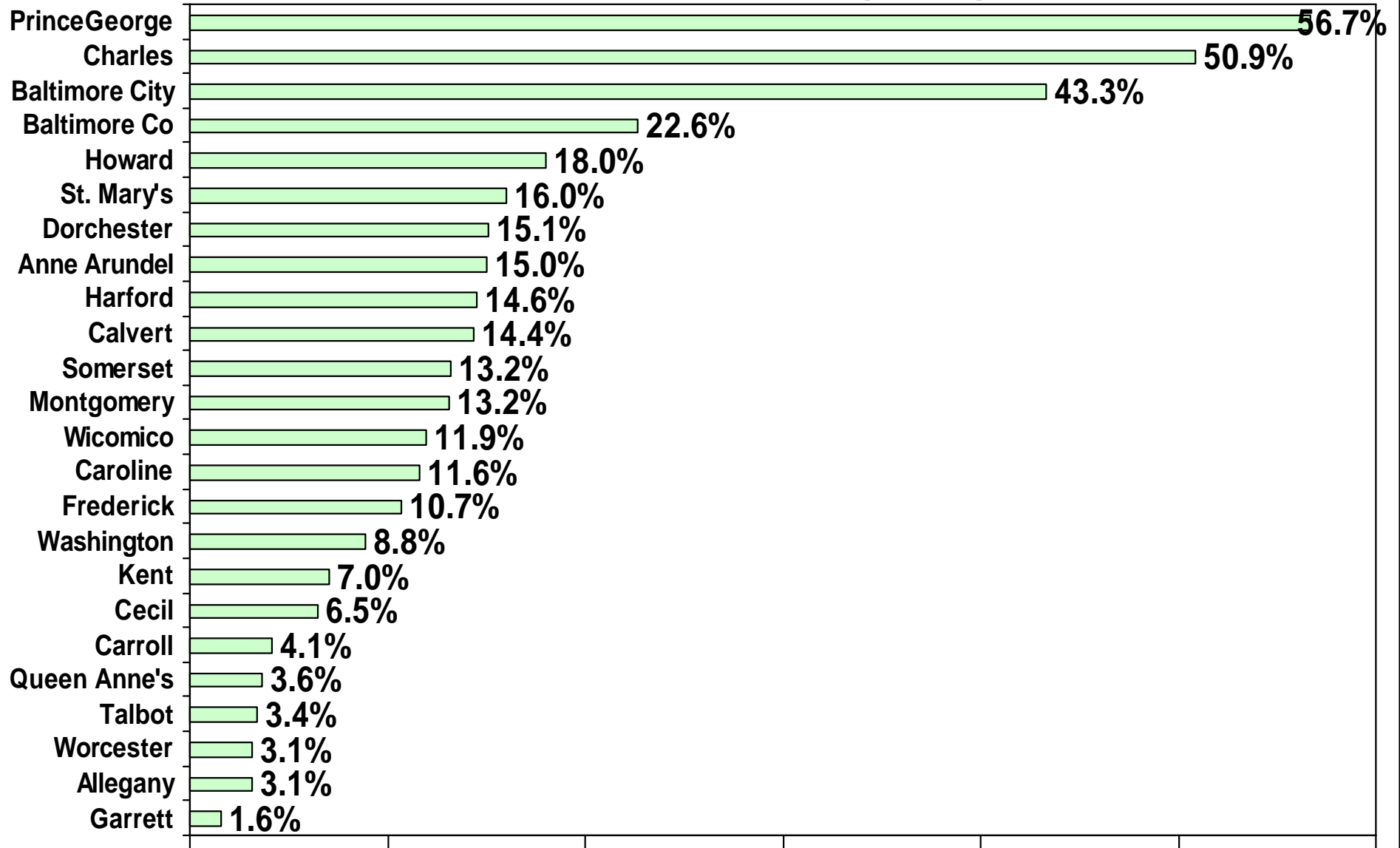
# **Owner-Occupied Mortgage Loans by Jurisdiction**

# 2006 Owner-Occupied Loans by Jurisdiction



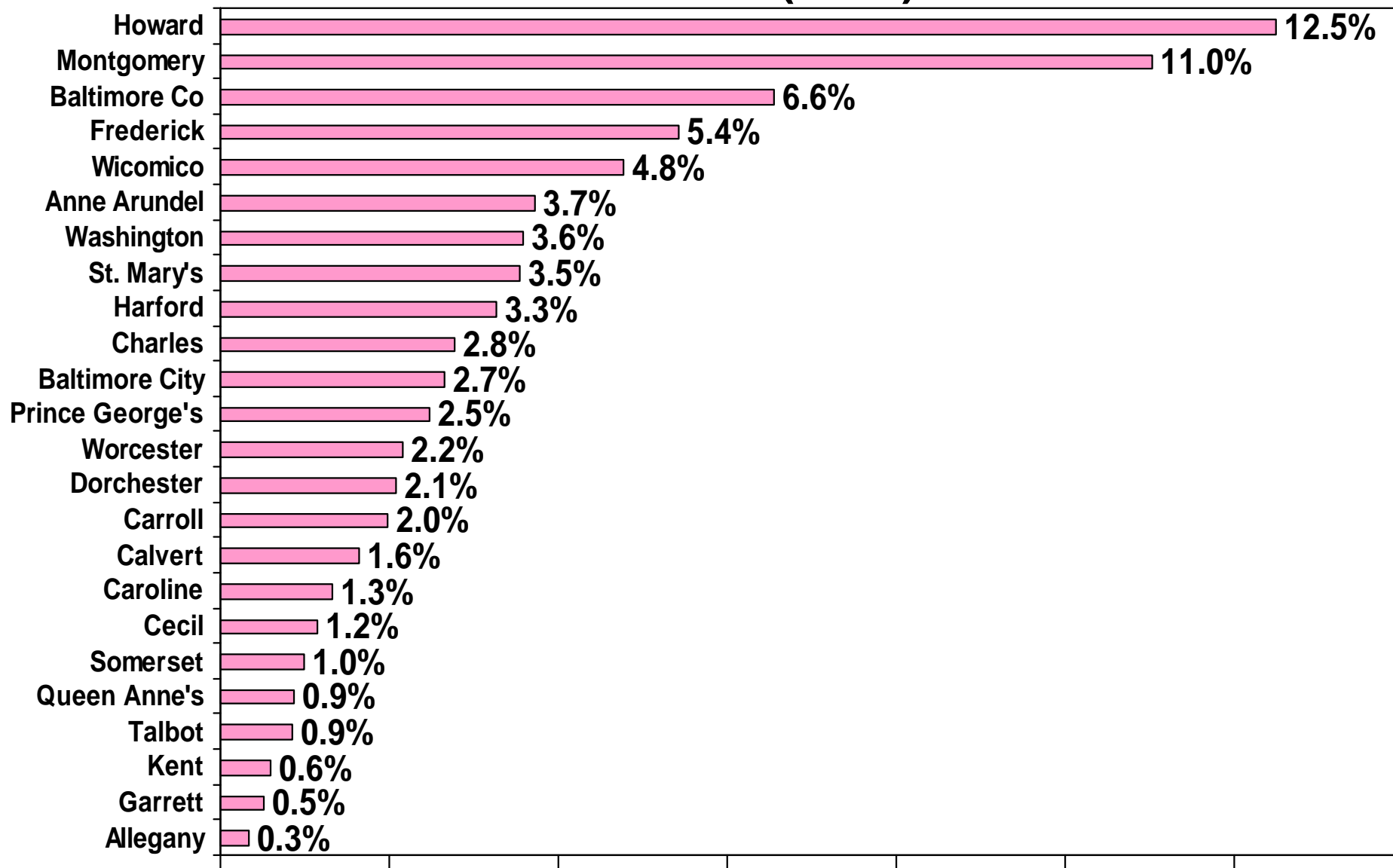
Source: Maryland Department of Planning from 2006 HMDA

## Pct Owner-Occupied Loans to **African Americans** Within Jurisdictions (2006)



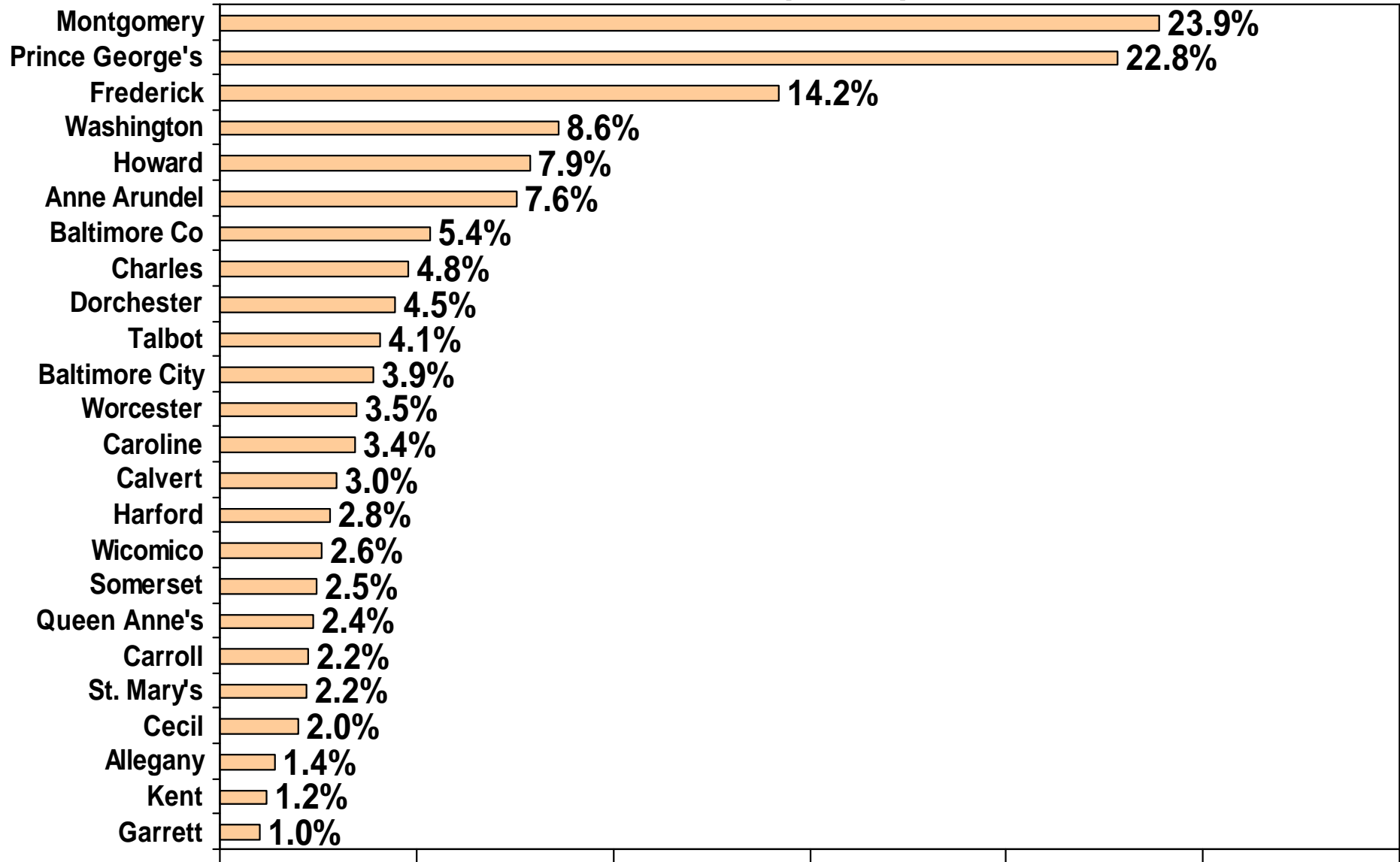
Source: Maryland Department of Planning from 2006 HMDA

## Pct Owner-Occupied Loans to **Asians** Within Jurisdiction (2006)



Source: Maryland Department of Planning from 2006 HMDA

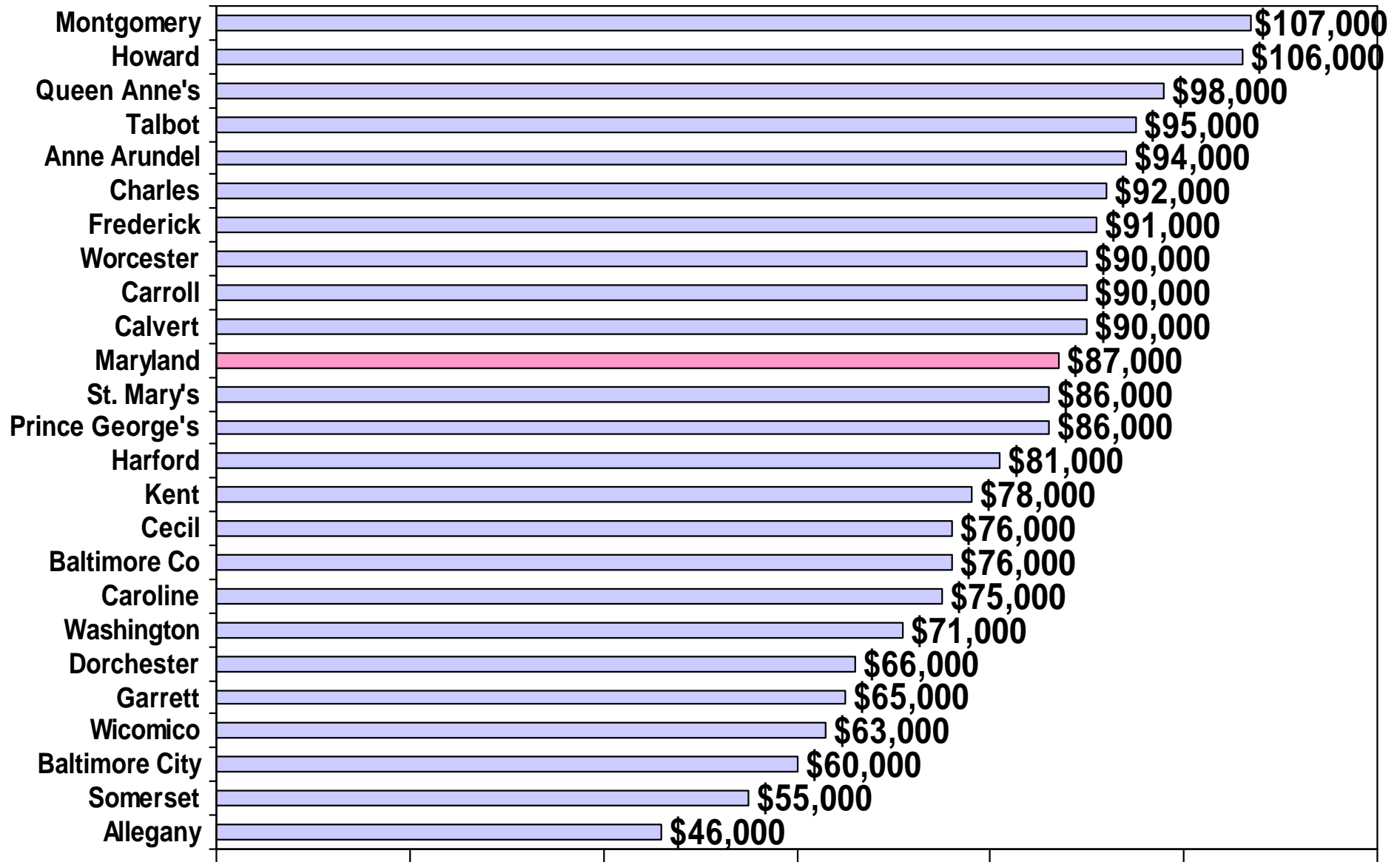
## Pct Owner-Occupied Loans to **Hispanics** Within Jurisdiction (2006)



Source: Maryland Department of Planning from 2006 HMDA

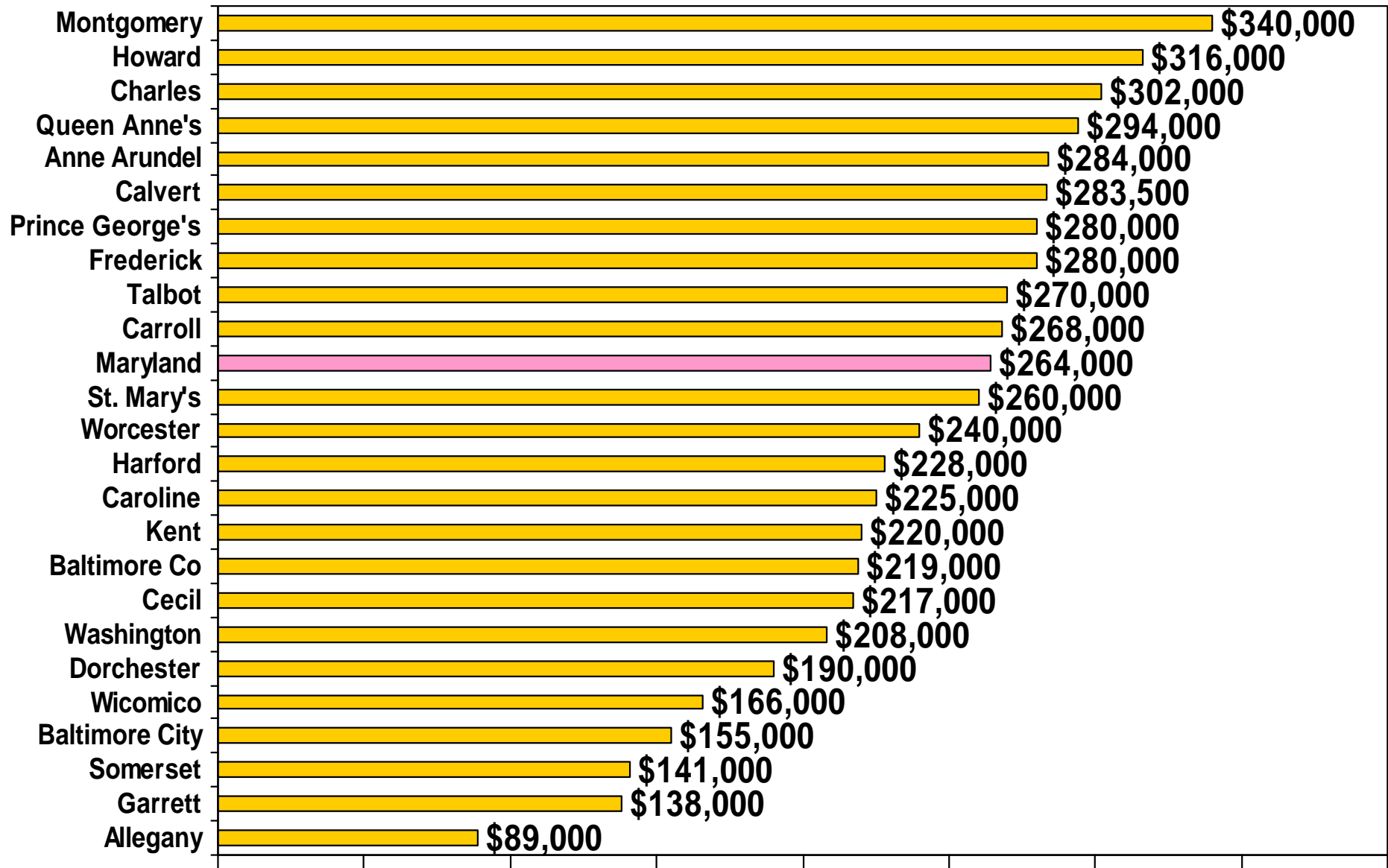


# Median Income of Borrowers by Jurisdiction (2006)



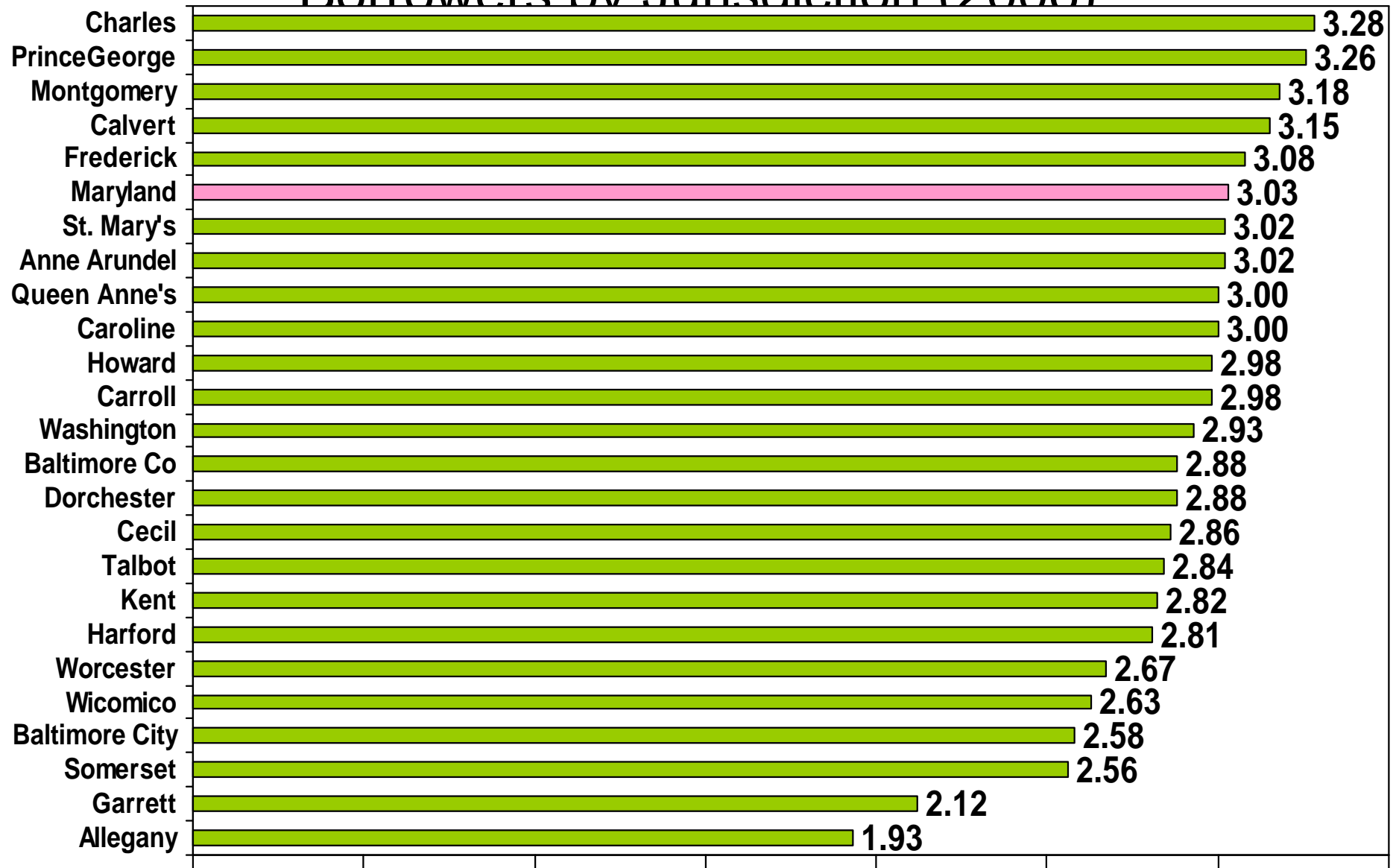
Source: Maryland Department of Planning from 2006 HMDA

# Median Loan Amt of Borrowers by Jurisdiction (2006)



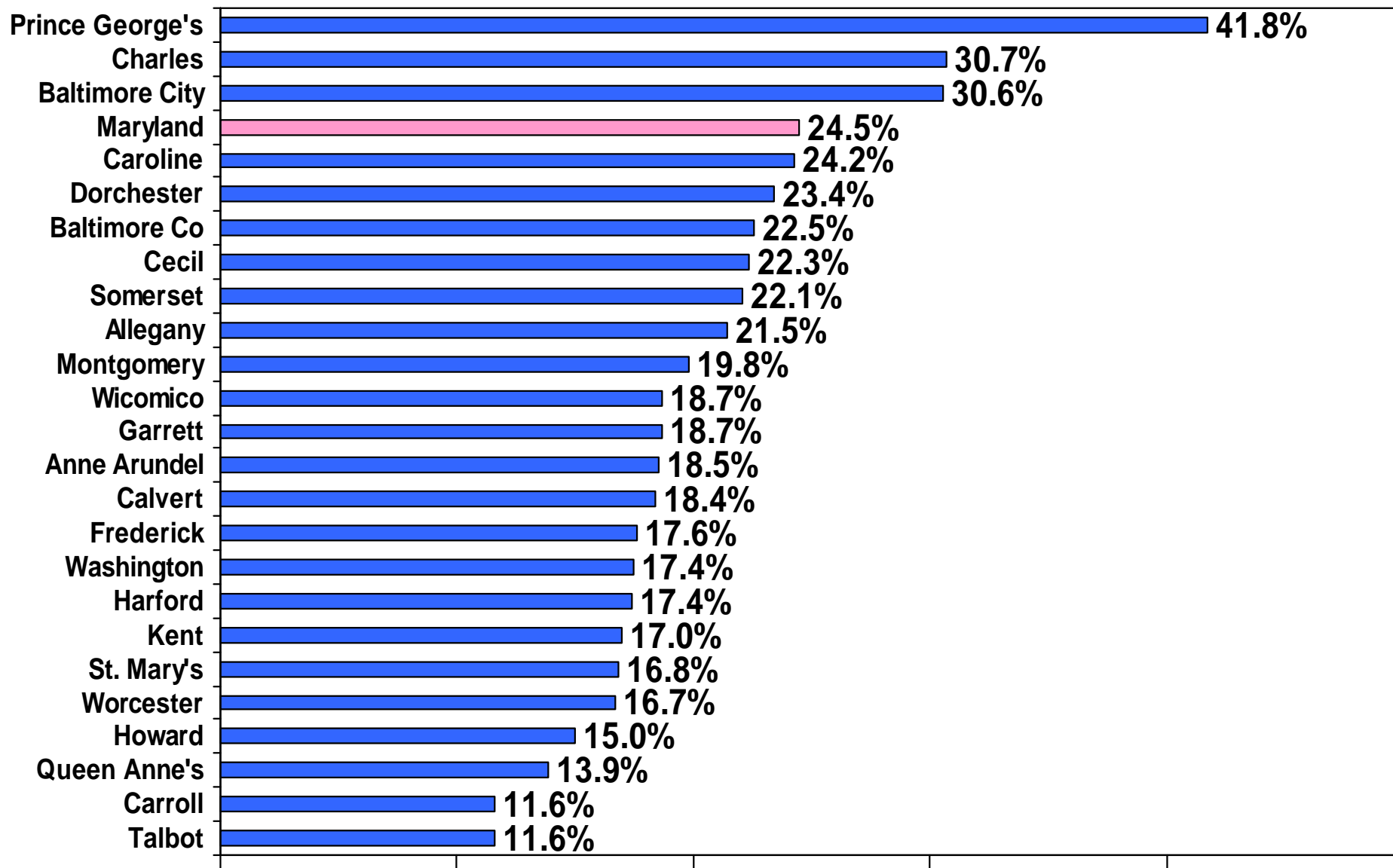
Source: Maryland Department of Planning from 2006 HMDA

# Ratio of Median Loan Amt to Median Income of Borrowers by Jurisdiction (2006)



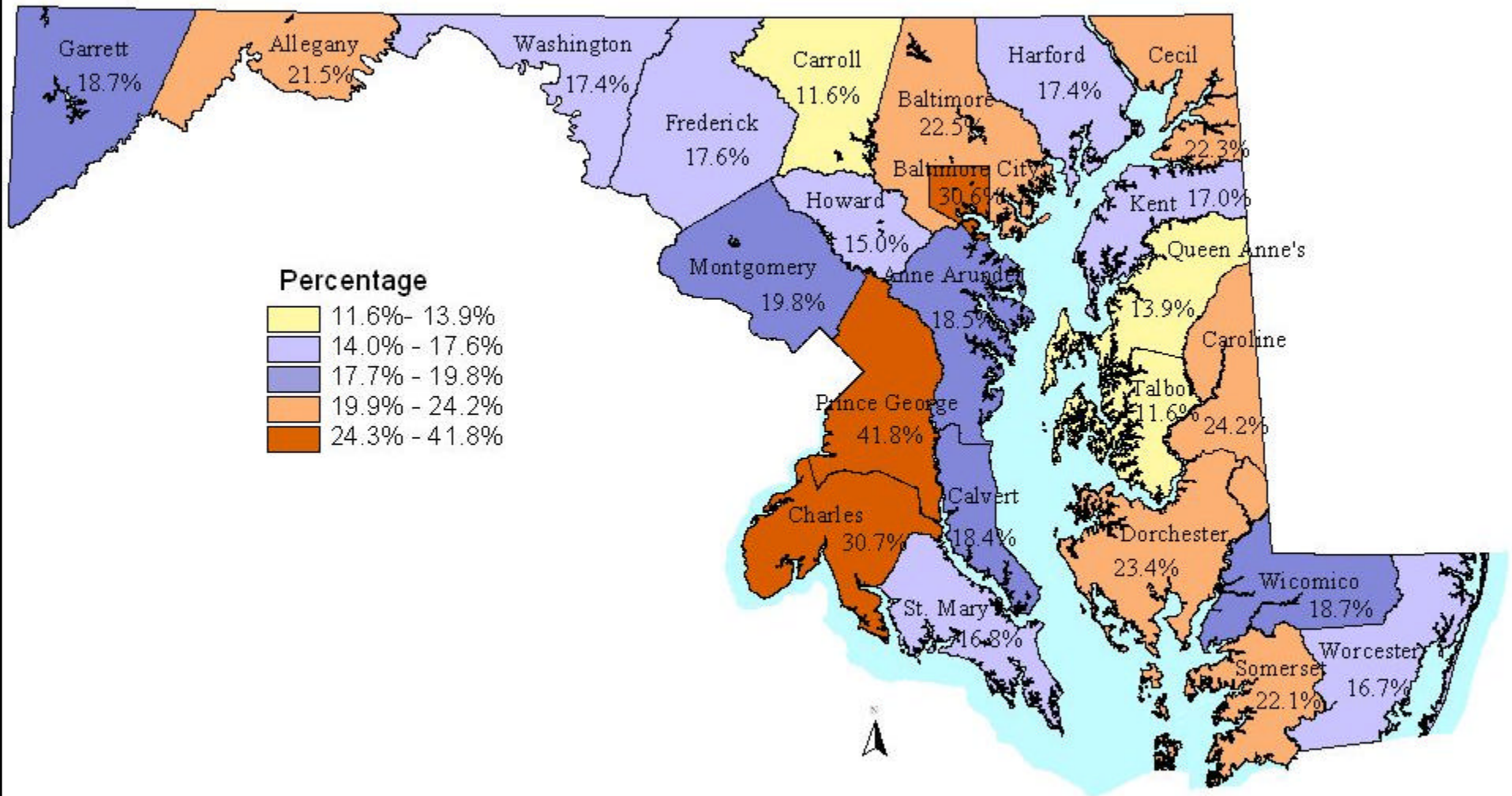
Source: Maryland Department of Planning from 2006 HMDA

## Percent Subprime Loans by Jurisdiction (2006)



Source: Maryland Department of Planning from 2006 HMDA

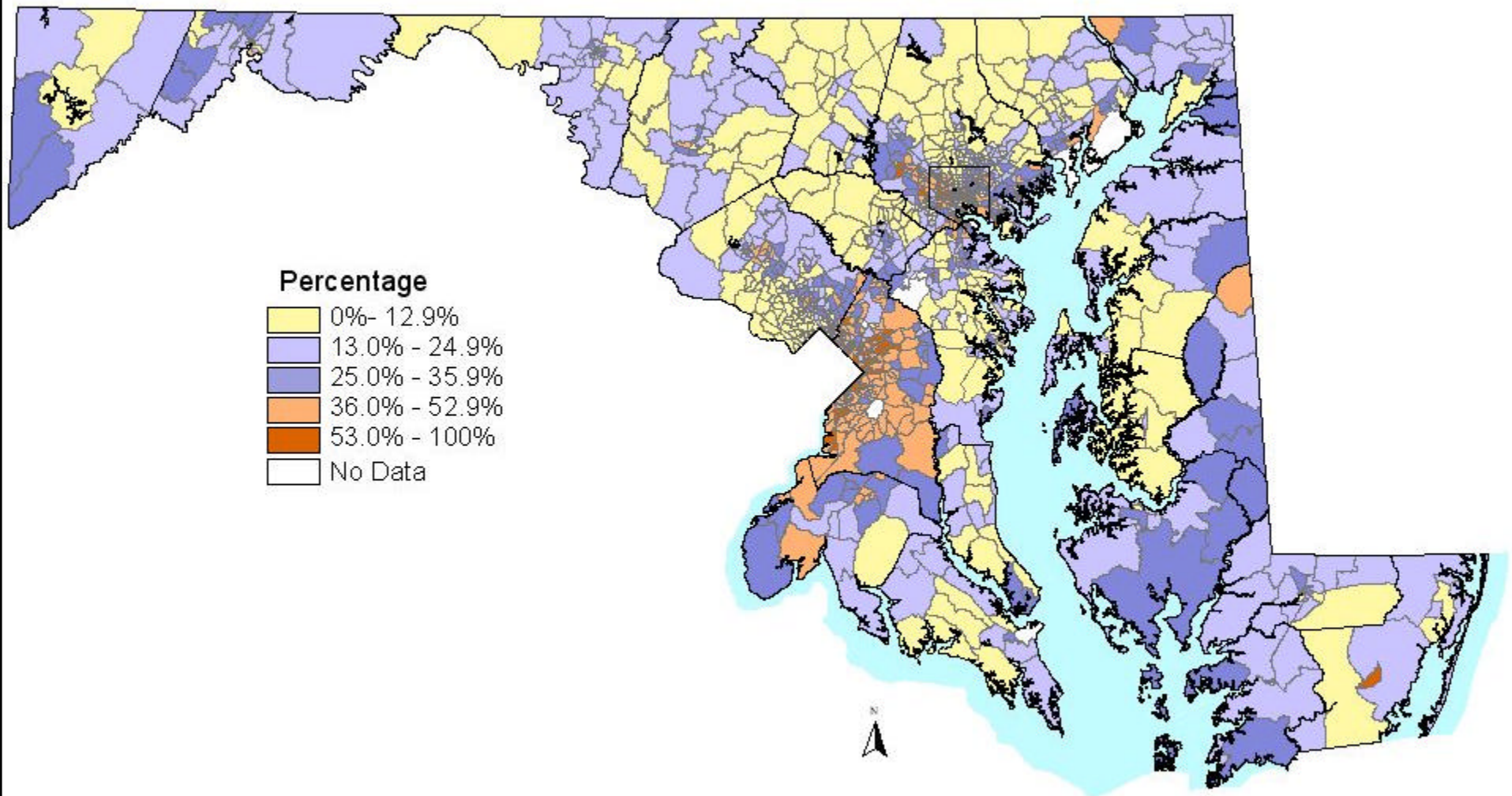
## Percent of Sub-Prime Mortgage Loans by Jurisdictions - 2006



Source: The Maryland Department of Planning, from 2006 HMDA

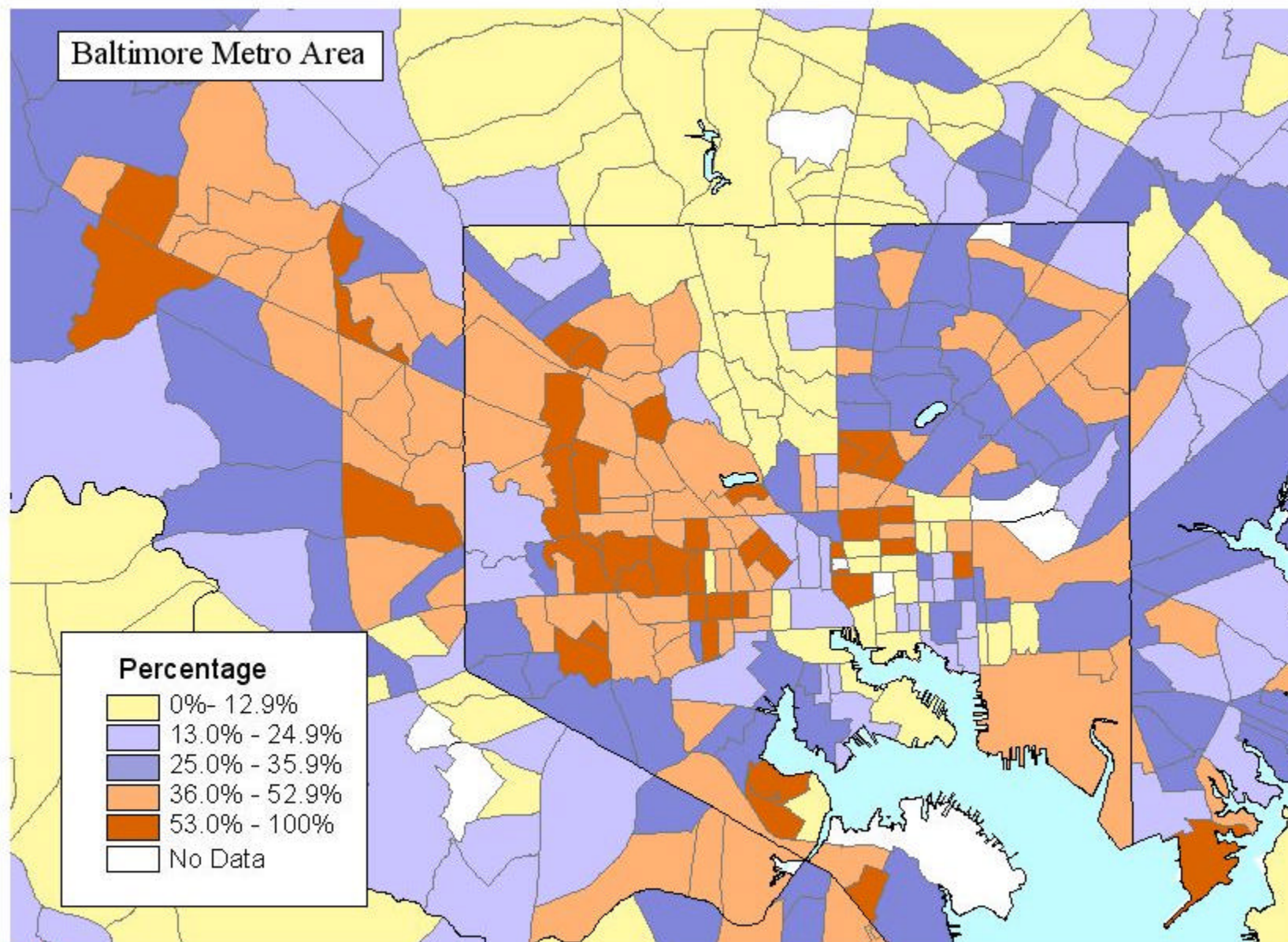


## Percent of Owner Occupied Mortgage Loans Which are Sub Prime by Census Tract - 2006



Source: The Maryland Department of Planning, from 2006 HMDA

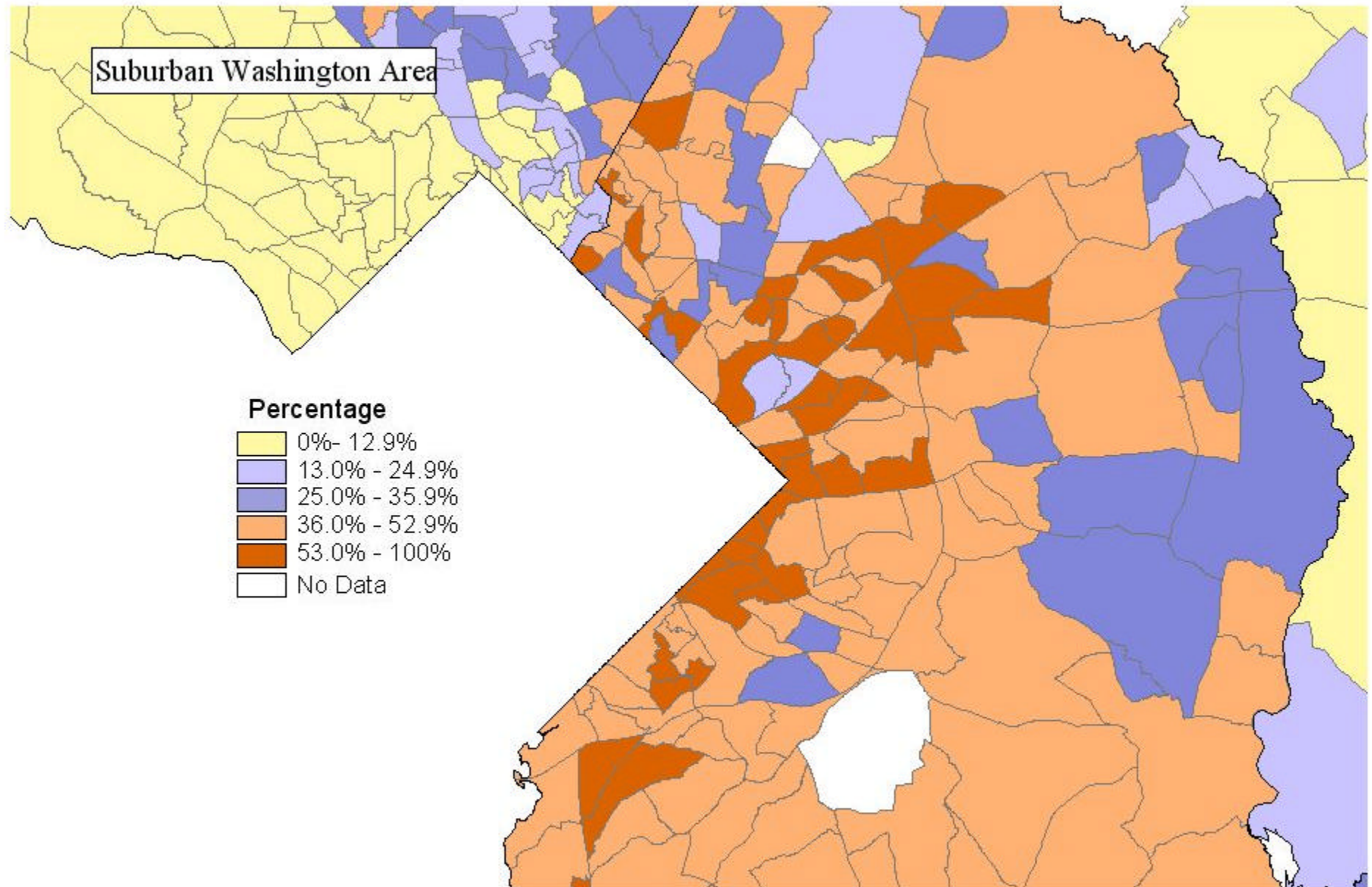
## Percent of Owner Occupied Mortgage Loans Which are Sub Prime by Census Tract - 2006



Source: The Maryland Department of Planning, from 2006 HMDA



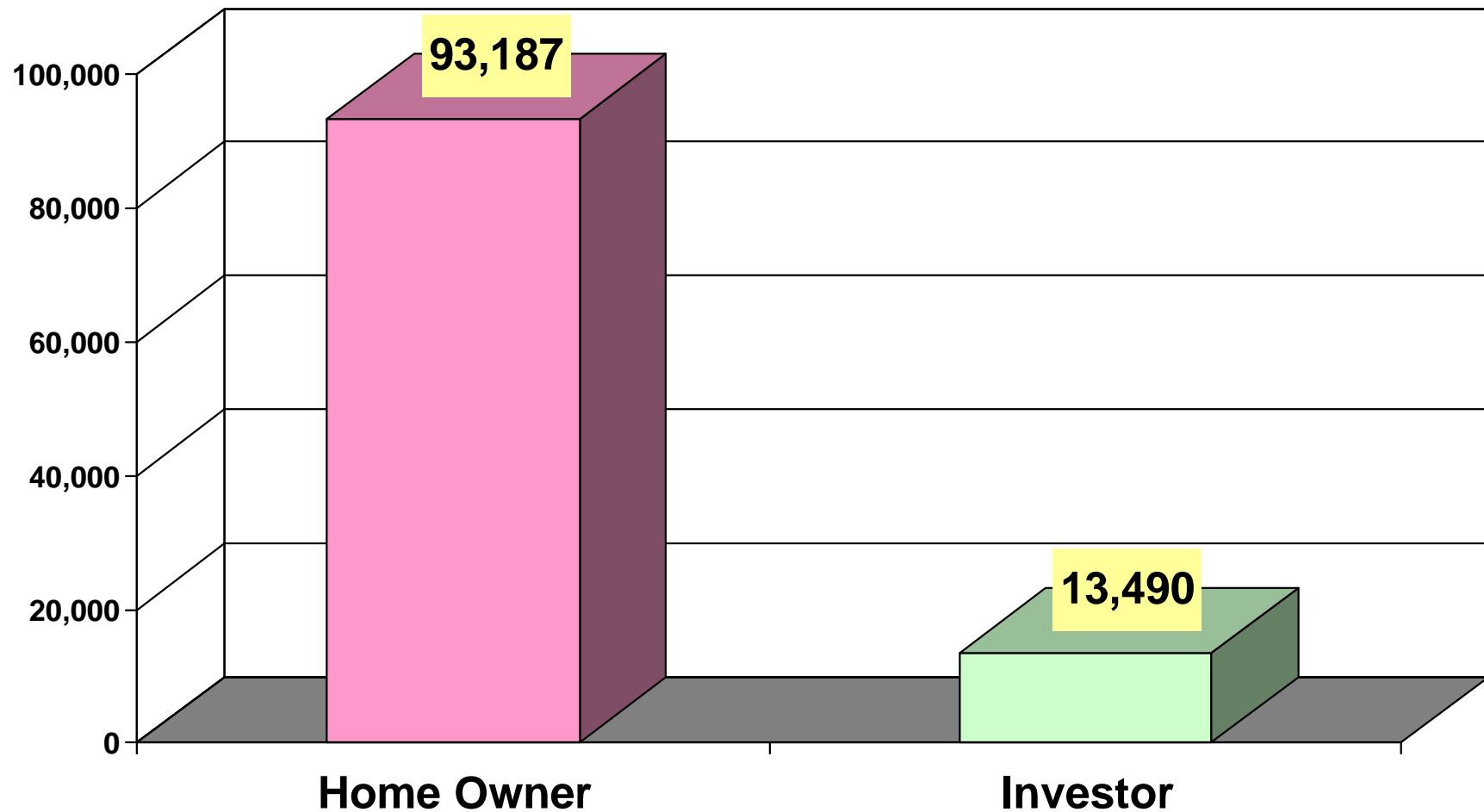
## Percent of Owner Occupied Mortgage Loans Which are Sub Prime by Census Tract - 2006





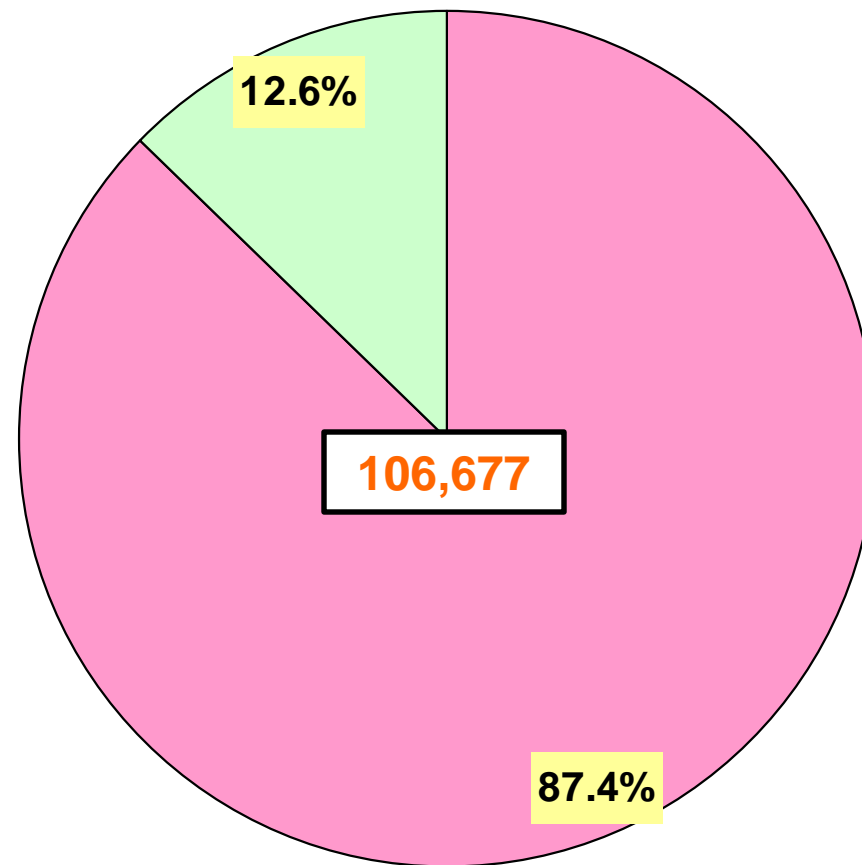
# **Investor Mortgage Loans**

# Investor and Home Owner Loans in Maryland (2006)



Source: Maryland Department of Planning from 2006 HMDA

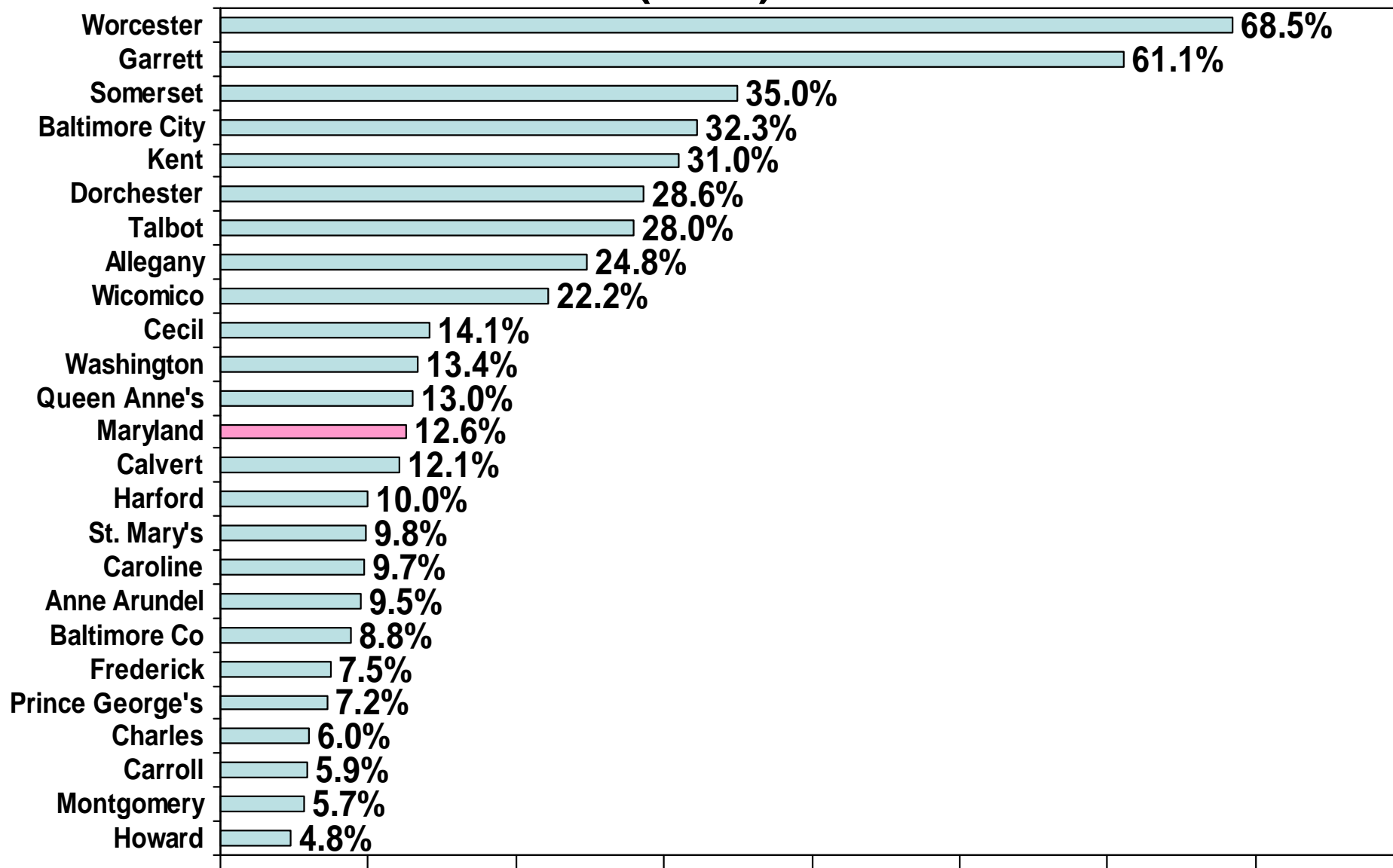
# Investor and Home Owner Loans in Maryland (2006)



■ Home Owner    ■ Investor

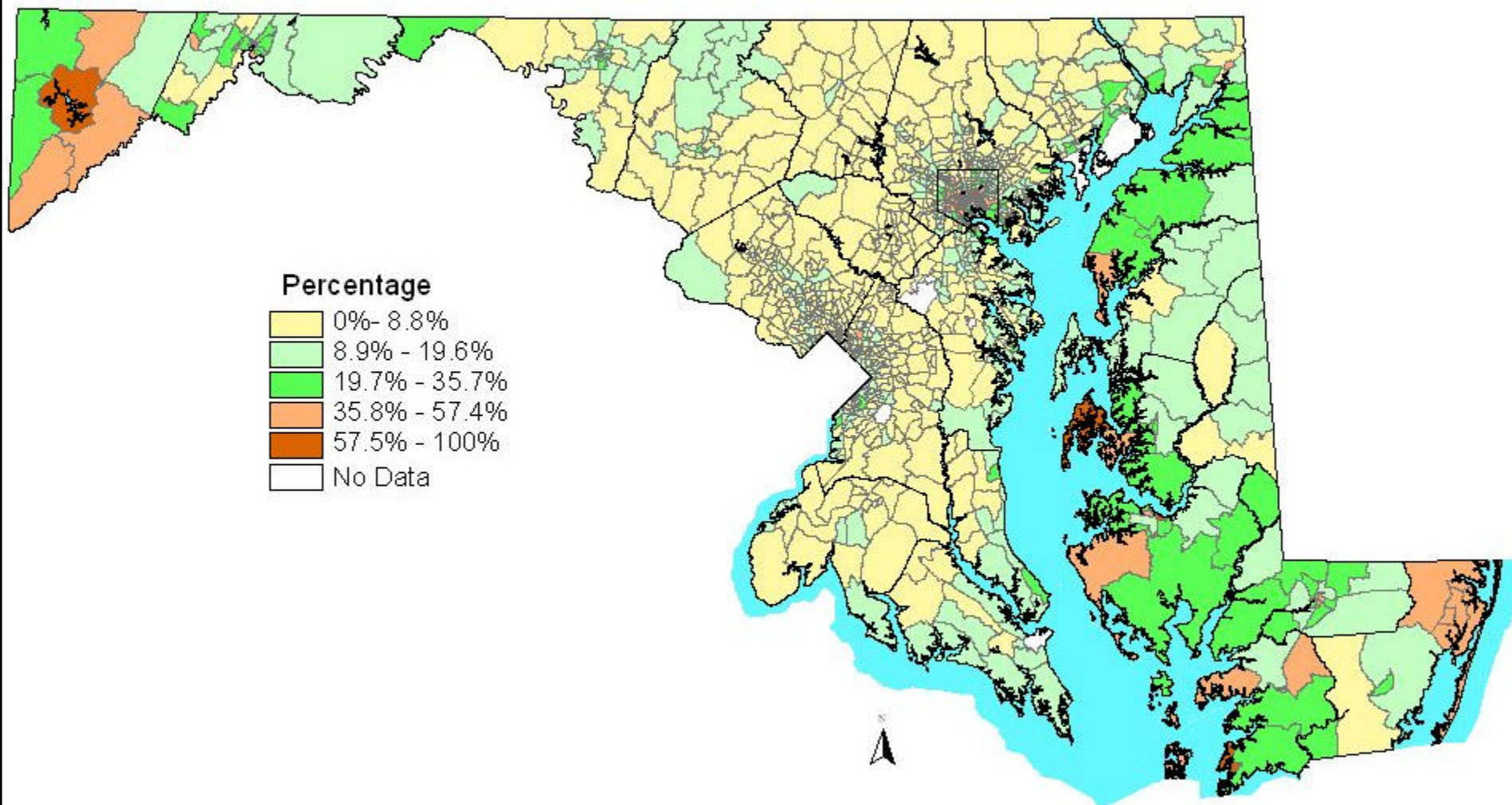
Source: Maryland Department of Planning from 2006 HMDA

## Investor Loans as a Pct of All Loans by Jurisdiction (2006)



Source: Maryland Department of Planning from 2006 HMDA

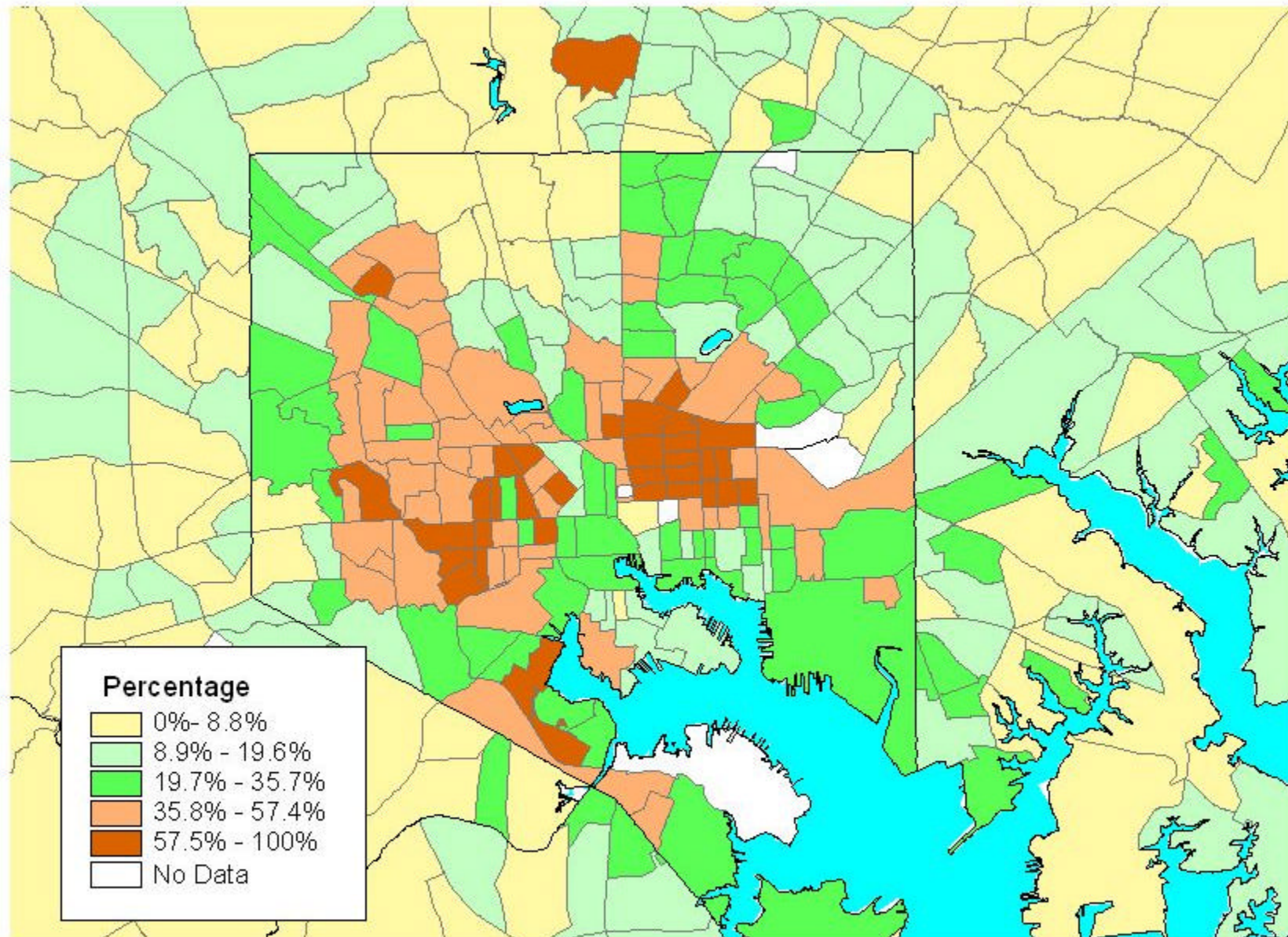
## Investment Loans as a Percent of All Loans by Census Tract - 2006



Source: The Maryland Department of Planning, from 2006 HMDA

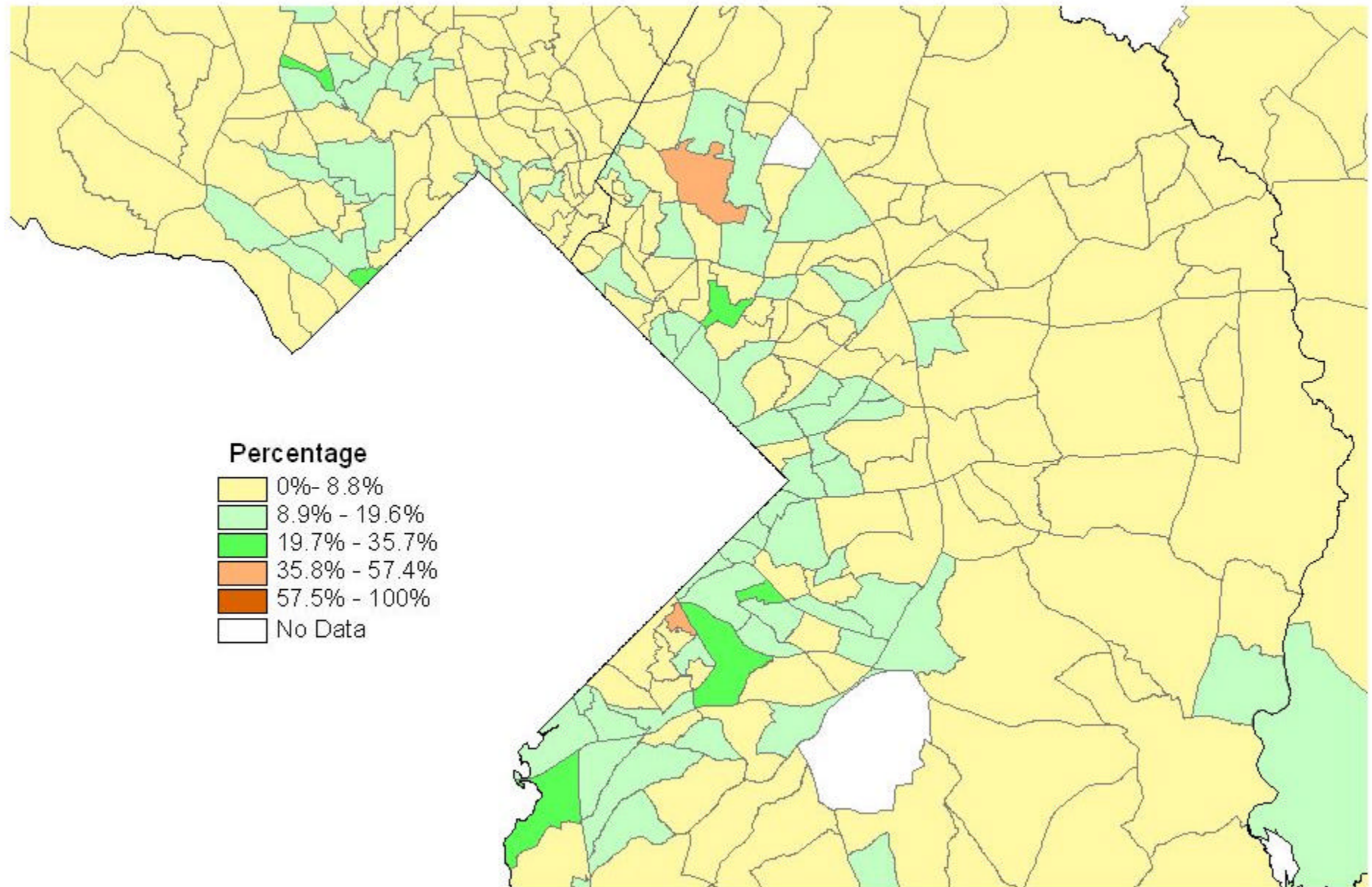


## Investment Loans as a Percent of All Loans by Census Tract - 2006, Baltimore

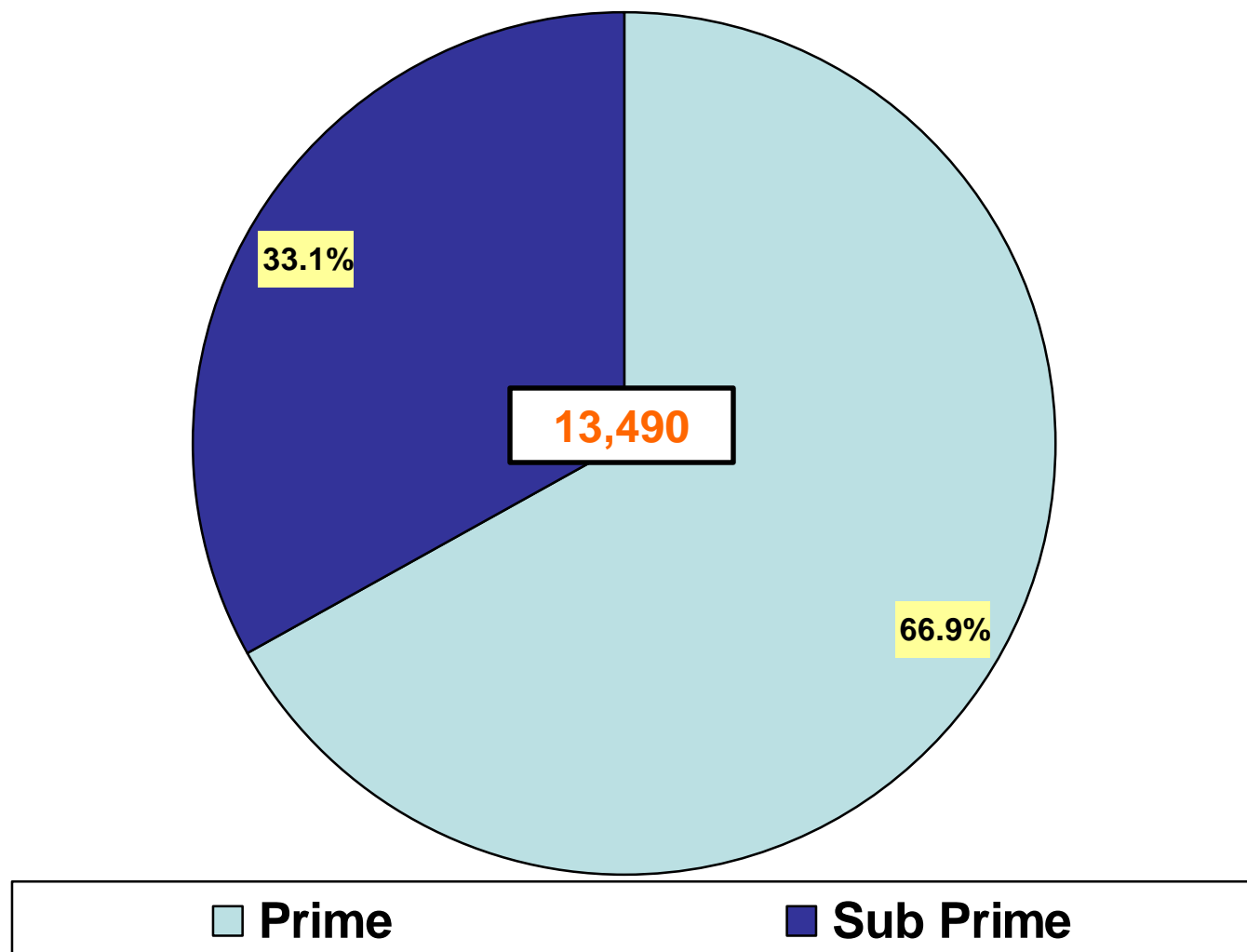




## Investment Loans as a Percent of All Loans by Census Tract - 2006, Suburban Washington



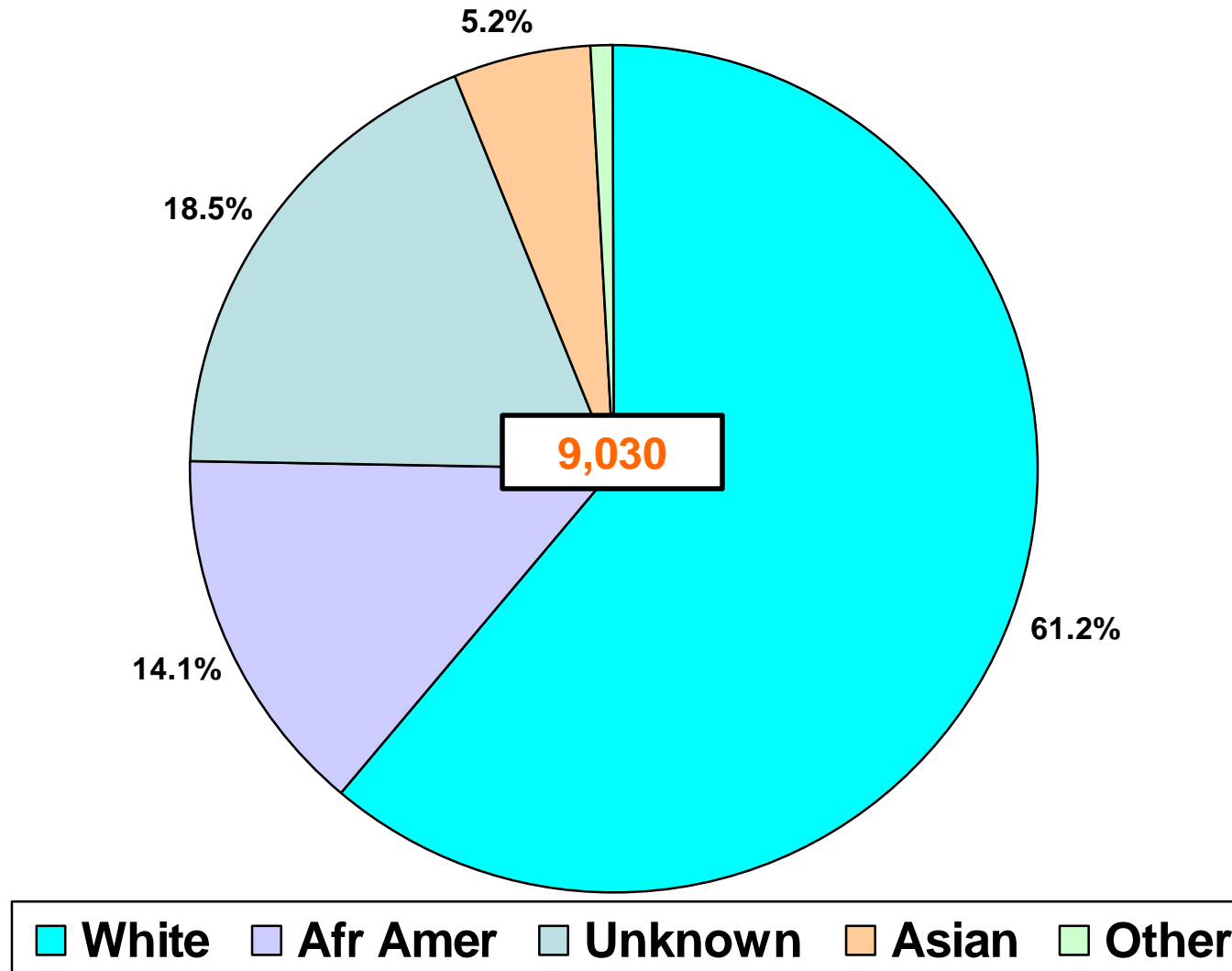
# Prime & Subprime Investor Mortgage Loans in Maryland- 2006



Source: Maryland Department of Planning from 2006 HMDA

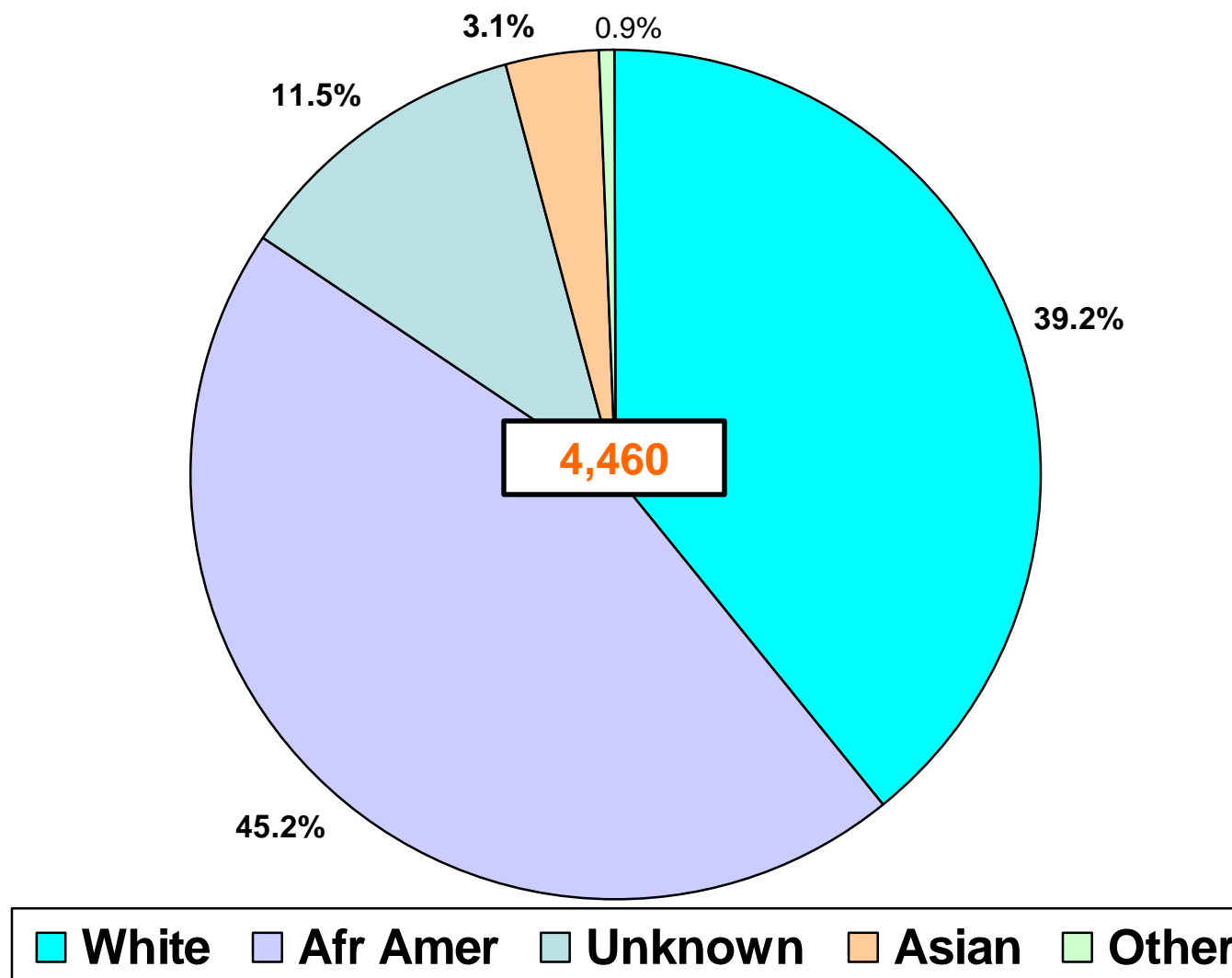


# Investor **Prime** Loans by Race in Maryland- 2006



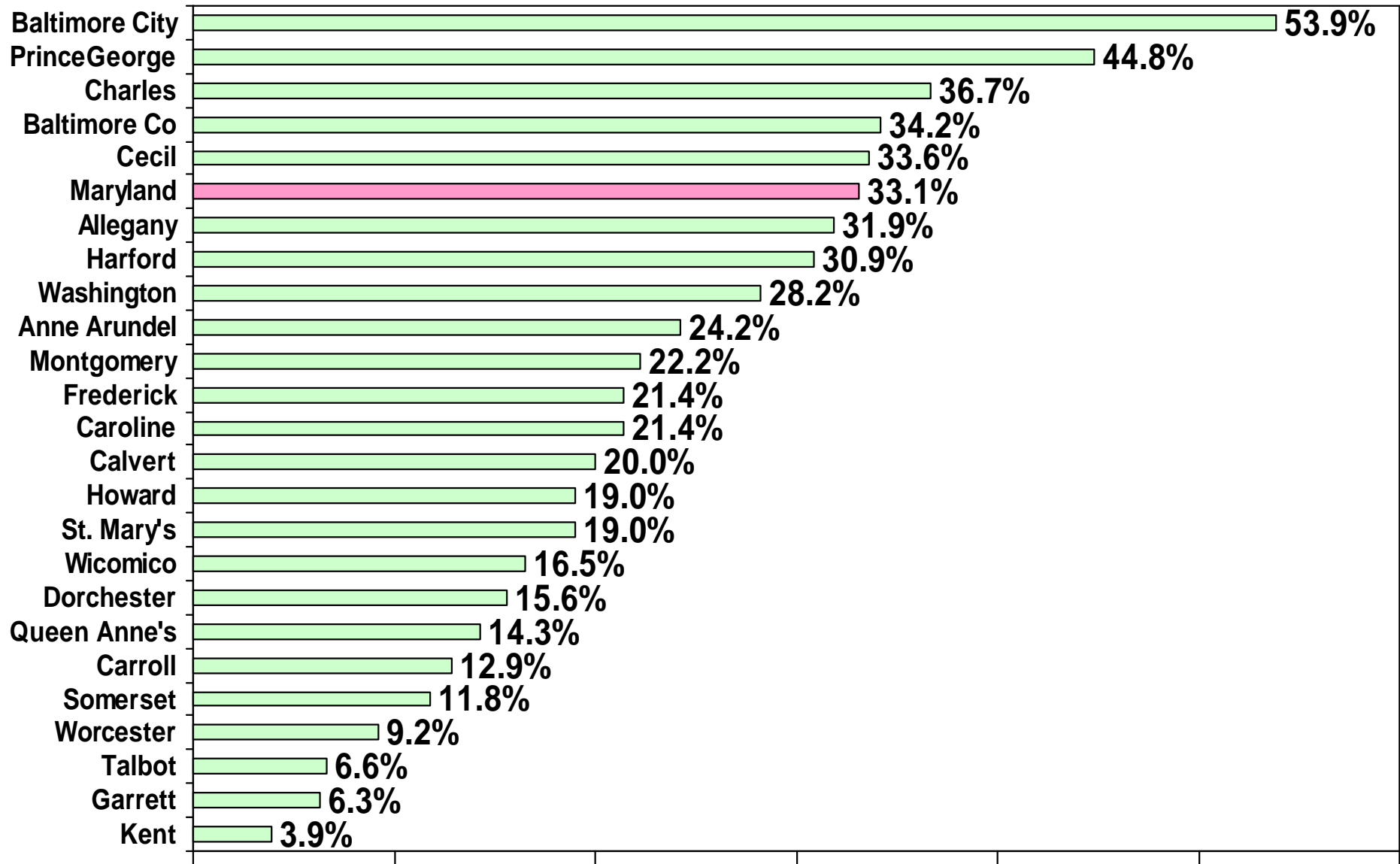
Source: Maryland Department of Planning from 2006 HMDA

# Investor **Subprime** Loans by Race in Maryland- 2006



Source: Maryland Department of Planning from 2006 HMDA

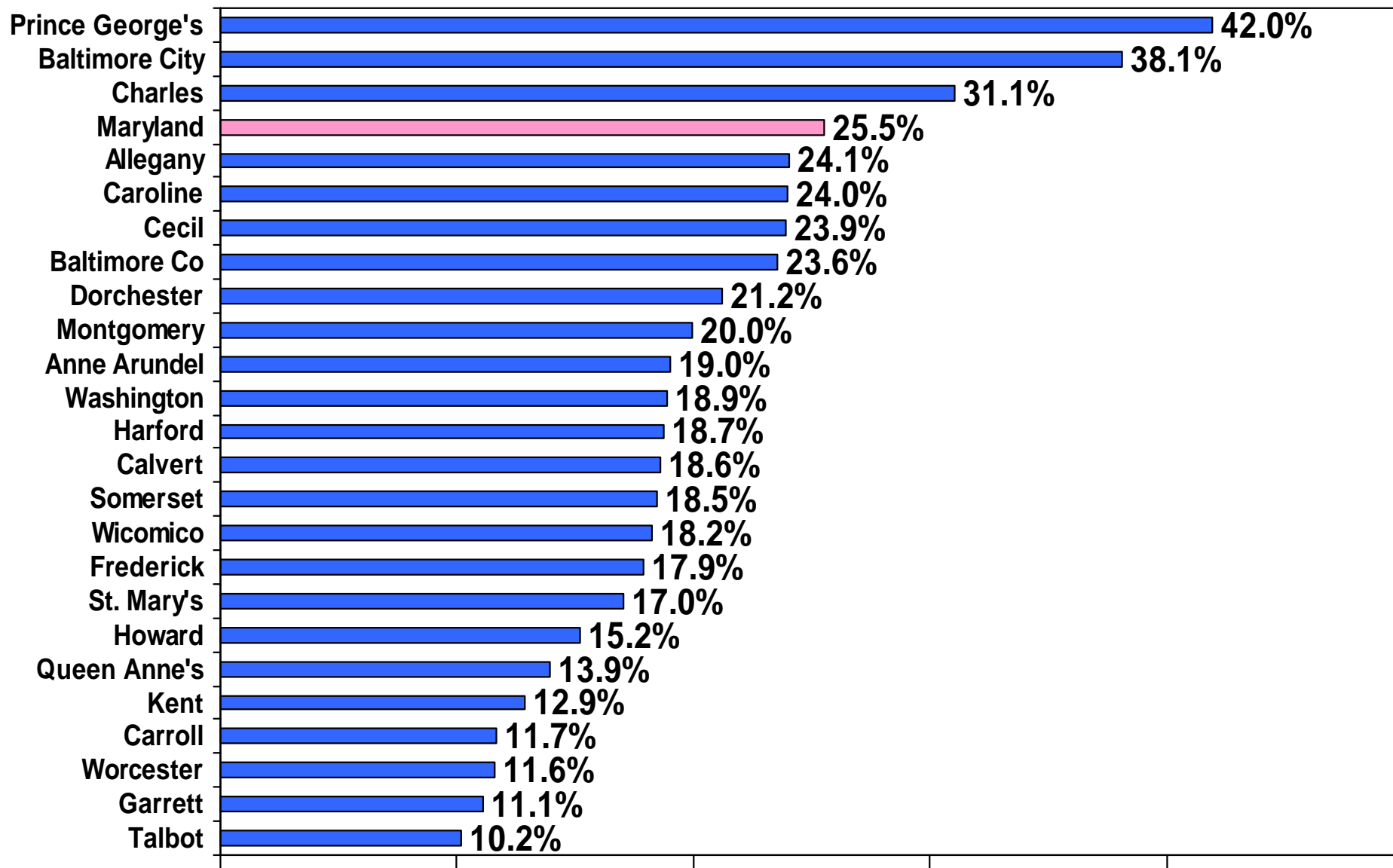
## Percent Subprime Investor Loans by Jurisdiction (2006)



Source: Maryland Department of Planning from 2006 HMDA

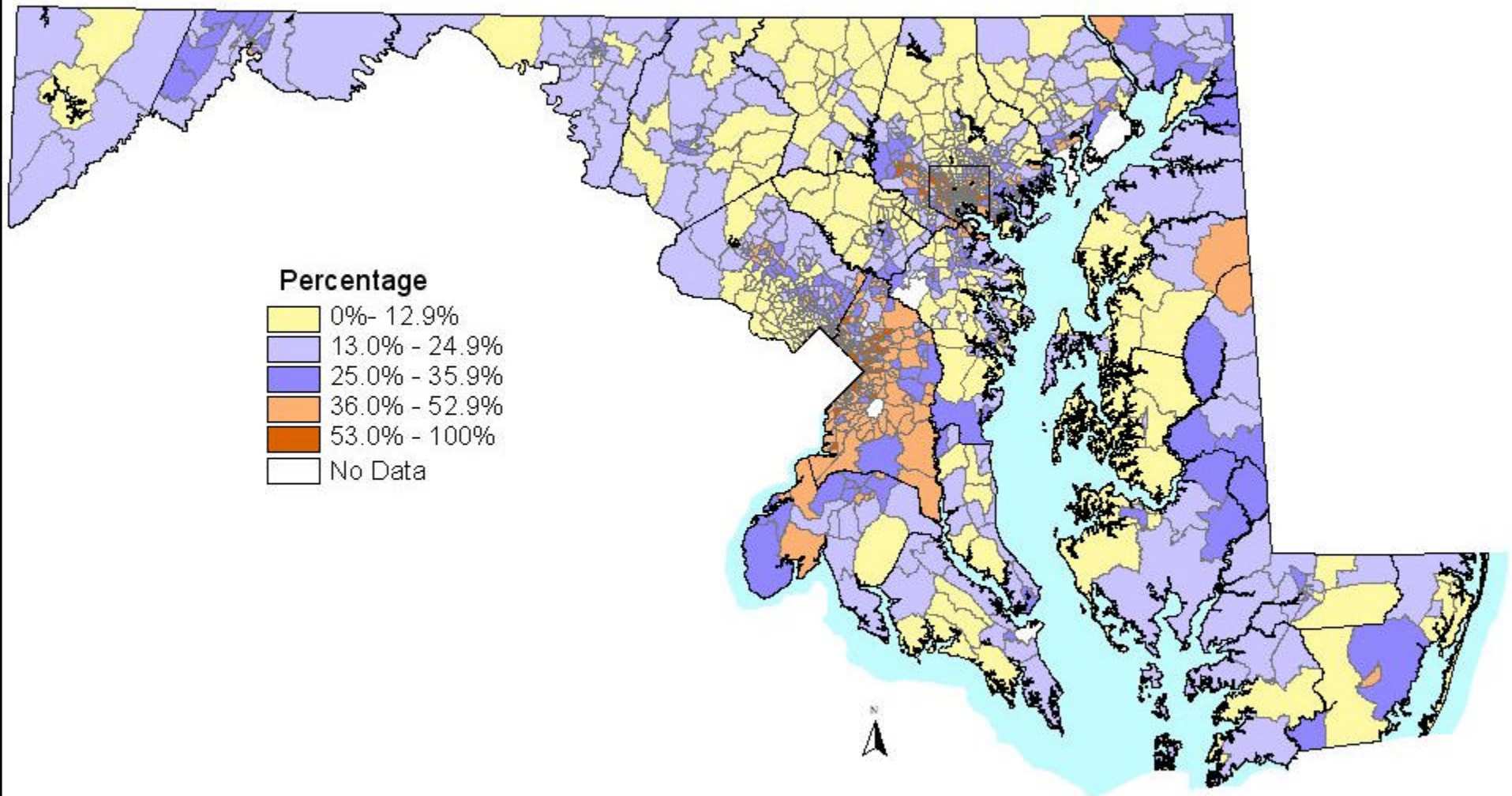
# **All Mortgage Loans (Owner Occupied & Investor)**

## Percent Subprime All Loans by Jurisdiction (2006)



Source: Maryland Department of Planning from 2006 HMDA

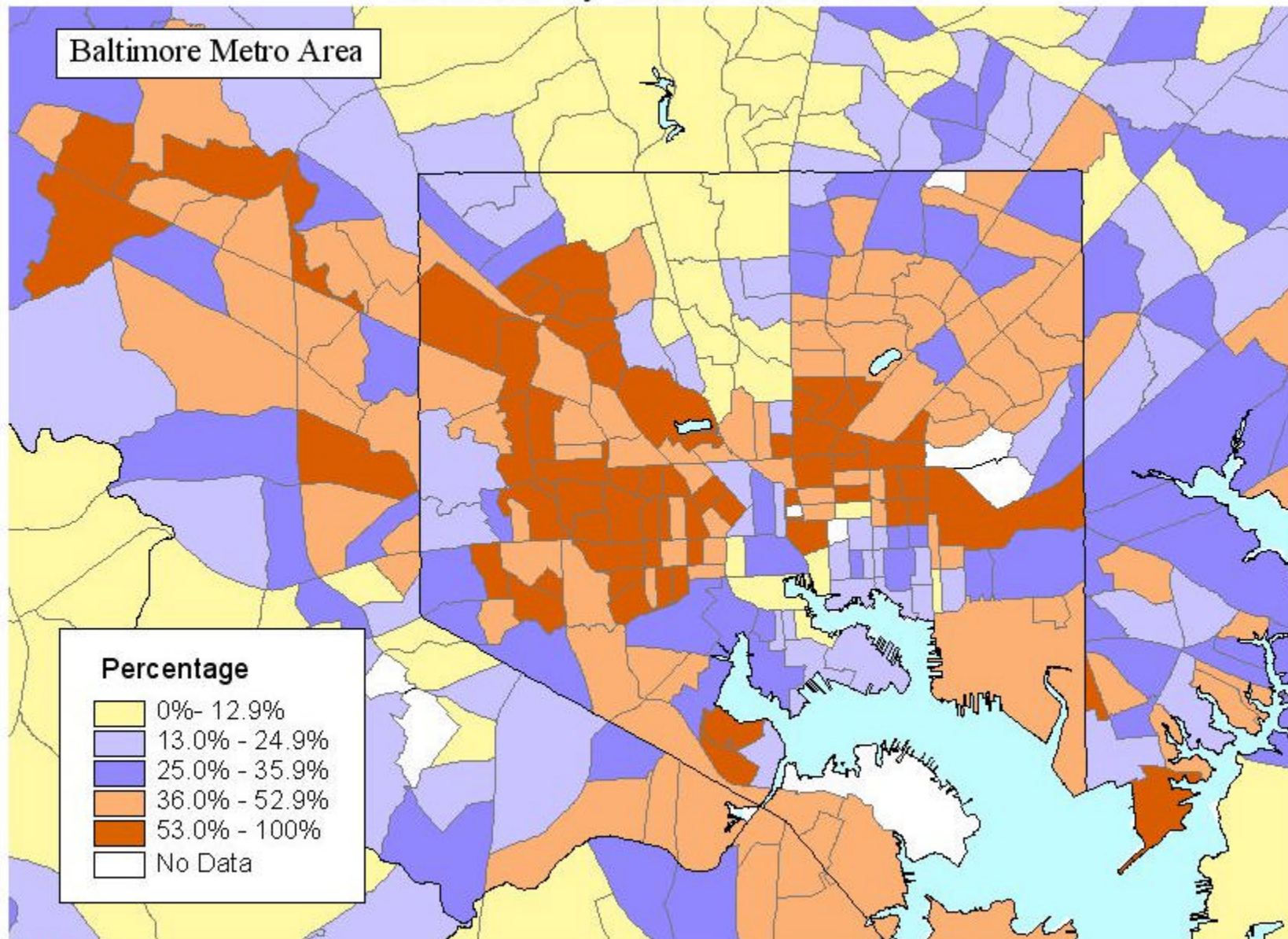
# Percent of All (Owner-Occupied & Investor) Mortgage Loans Which are Sub Prime by Census Tract - 2006



Source: The Maryland Department of Planning, from 2006 HMDA

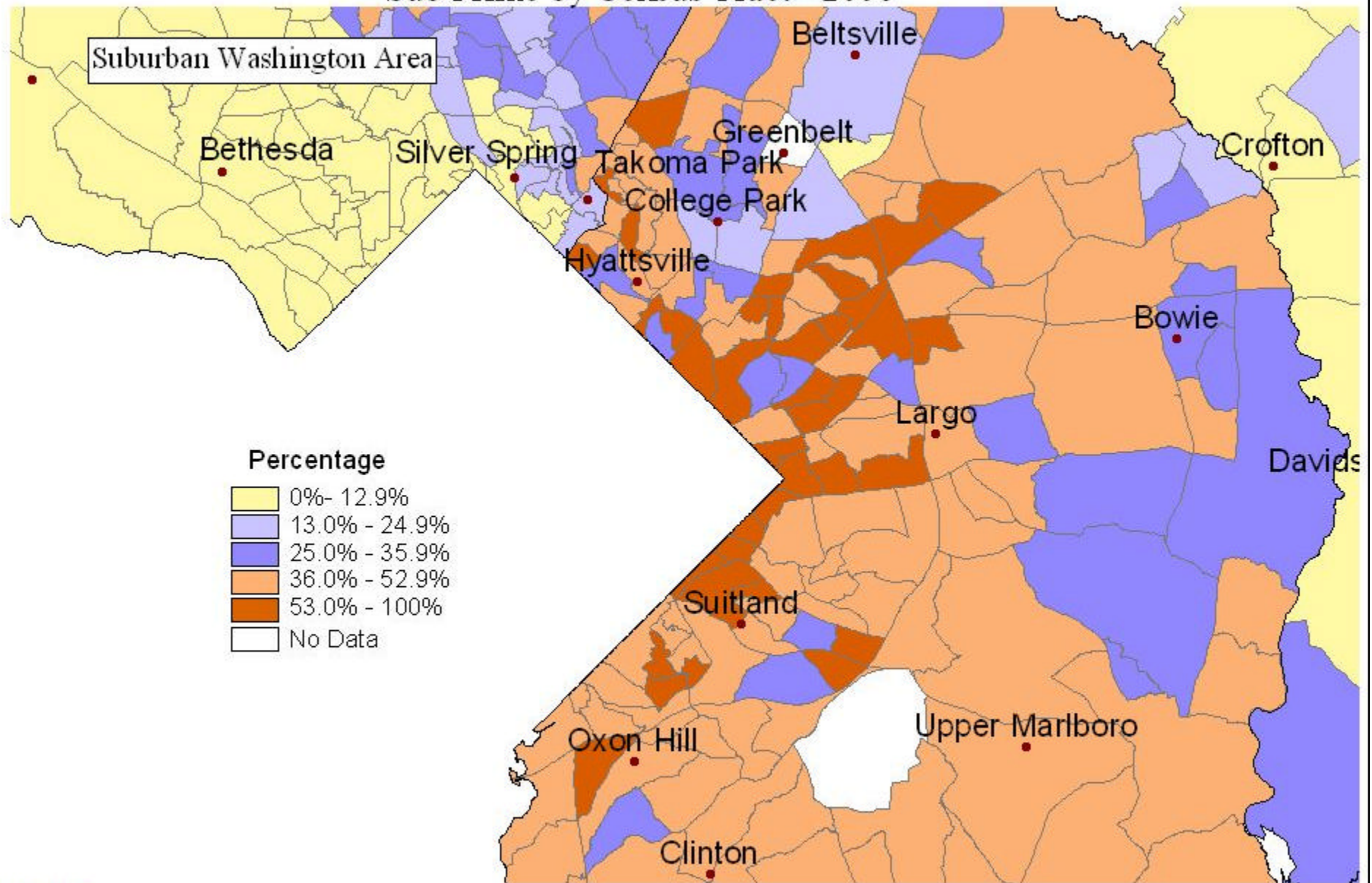


# Percent of All (Owner-Occupied & Investor) Mortgage Loans Which are Sub Prime by Census Tract - 2006



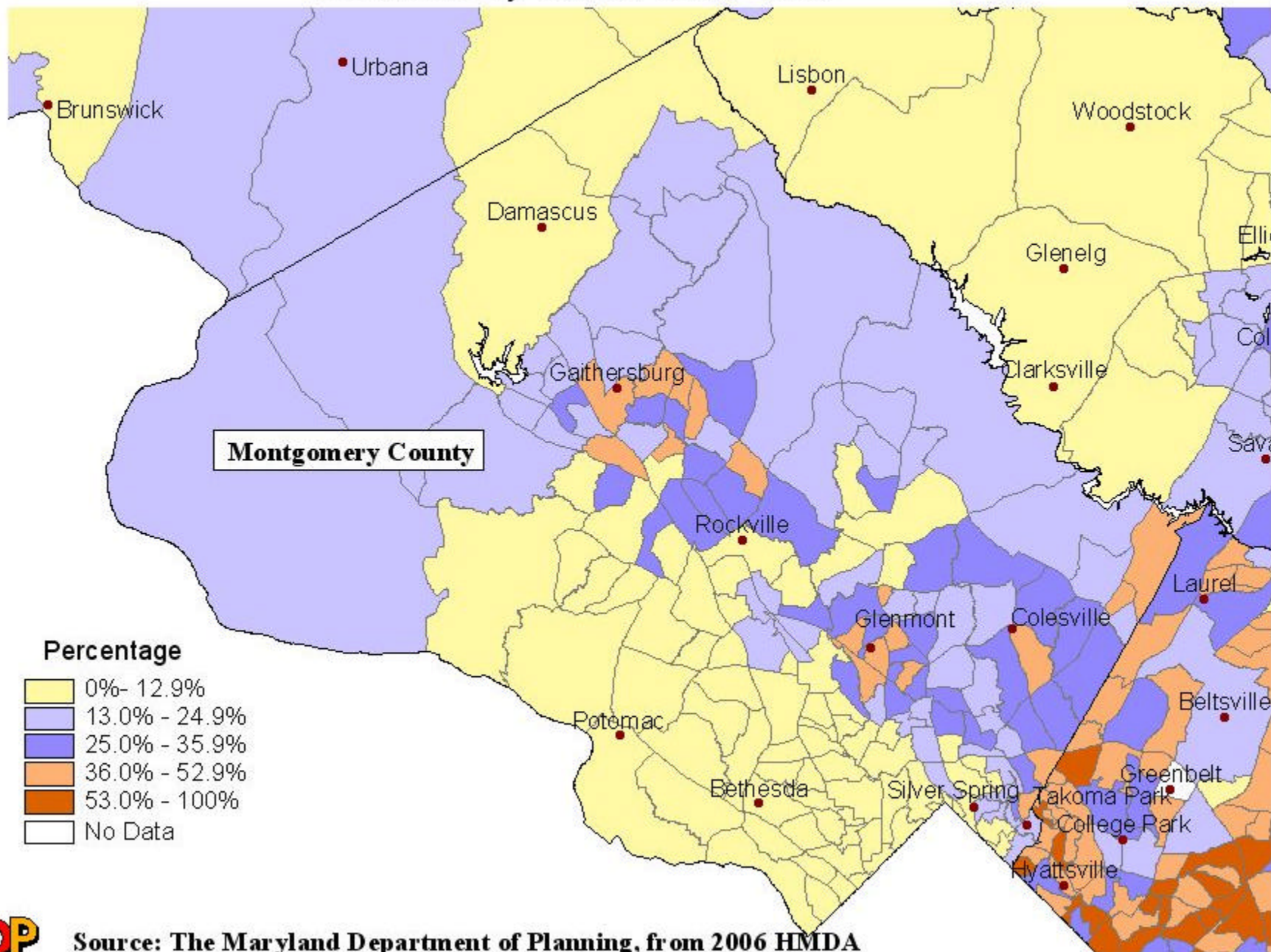


Percent of All (Owner-Occupied & Investor) Mortgage Loans Which are  
Sub Prime by Census Tract - 2006





# Percent of All (Owner-Occupied & Investor) Mortgage Loans Which are Sub Prime by Census Tract - 2006



# Summary

- Subprime loans for both owner-occupied and investor homes are disproportionately made up of minorities (African Americans and Hispanics)
- In almost all cases, loan amounts for subprime mortgages are larger than prime mortgages, indicating lower down payments for subprime mortgages

# Summary

- Incomes of subprime borrowers are higher than prime borrowers for both African Americans & Hispanics, which may indicate that more borrowers from these two groups are being directed to subprime loans than is necessary

# Summary

- Comparing incomes and loan amounts, prime loans were more affordable than subprime loans to whites and Asians. This was not the case for African Americans and Hispanics.

# Summary Jurisdictions

- There was a vast difference between highest and lowest median incomes and loan values among Maryland's jurisdictions.
- By ratio of loans to incomes, loans were least affordable in Charles and Prince George's and most affordable in B. City, Somerset, Garrett and Allegany

# Summary Jurisdictions

- By far, the share of subprime loans is greatest in the minority-majority jurisdictions of Prince George's & Baltimore City, and in Charles County which had the largest pct increase in African American pop this decade
- Investor loans are highest in “resort” jurisdictions as well as Baltimore City, but B. City is the only one with high pct of subprime investor loans.

# Summary

- Subprime mortgage loans are the raw material for housing foreclosures.
- 2006 HMDA data indicates that unless there is a rapid improvement in the economy and the housing market, there will continue to be significant foreclosure activity which will disproportionately affect minority communities.



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## HMDA

The Home Mortgage Disclosure Act (HMDA), enacted by Congress in 1975 and implemented by the Federal Reserve Board's Regulation C, requires lending institutions to report public loan data. In this section of the web site, you can find out more about the regulation and its interpretation.



## About HMDA

- [2004 Reg C Training](#)
- [Background & Purpose](#)
- [General Info & Price Data Questions](#)
- [HMDA Glossary](#)
- [Regulation C](#)
- [Who Reports Data?](#)

## How to File

- [A Guide to HMDA Reporting](#)
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- [FAQs](#)
- [File Specifications](#)
- [Mailing Addresses](#)
- [Reporting Forms](#)
- [Reporting Procedure Changes](#)

## What's New

- ▶ The third release of the 2008 [HMDA Data Entry Software](#) is available.
- ▶ [2008 HUD Estimated MFI figures](#) are available.
- ▶ [HMDA System rewrite information](#) effective for CY 2010 data collection - MUST READ
- ▶ [2008 Data Collection Notice](#) - MUST READ
- ▶ [Asset Threshold](#) increase for CY2008.
- ▶ [2008 Edits and File Specs](#) are available.
- ▶ [Press Release](#) announces the availability of 2008 HMDA data.

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# *The End*

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Special Thanks to:

Mr. Roberto Ruiz, Arlington County Planner

Ms. Amy Chen – MDP

Ms. Karen Maisenhalder - MDP